# Daily Report

# Latin America

FBIS-LAT-91-002
Thursday
3 January 1991

# Daily Report
## Latin America

*FBIS-LAT-91-002* *3 January 1991*

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**NOTICE TO READERS:** As of 2 January 1991, television sourcelines in the DAILY REPORT will reflect how a station identifies itself. In most cases, this change eliminates the "Television Service" designation in favor of the station identification as broadcast. The presence of a new television sourceline reflects this change in policy, rather than the establishment of a new station or network.

**NOTICE TO READERS:** An * indicates material not disseminated in electronic form.

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## IDC Leader Proposes Summit on Gulf Crisis

*PA0301033491 Hamburg DPA in Spanish 1549 GMT 2 Jan 90*

[Text] Caracas, 2 Jan (DPA)—Eduardo Fernandez, president of the Christian Democratic International (IDC), has urged international political organizations to act to prevent the outbreak of war in the Middle East.

Fernandez invited his colleagues of the Socialist International, Willy Brandt, and of the Liberal International, Adolfo Suarez, to a summit meeting "as soon as possible and with the urgency that circumstances demand," to seek a solution to the Persian Gulf crisis through dialogue and negotiation.

He also proposed that they send a joint message, "containing our anguished demands for peace," to UN Secretary General Javier Perez de Cuellar and the leaders of the United States, the Soviet Union, and Iraq.

Fernandez also called for serious political negotiations under UN sponsorship and with the presence of the UN secretary general because, he said, the fulfillment of the resolutions could hardly be demanded if one rejects Javier Perez de Cuellar's efforts and presence as an expression of good faith.

He also indicated that the Middle East demands peaceful solutions based on justice and he defined peace "as harmony within order."

He stressed that to attain peace in that region, Iraq must withdraw from Kuwait, Syria from Lebanon, and Israel from the occupied territories. He also emphasized that the Palestinians should have their own state.

In a news conference, Fernandez extended his call to all the spiritual, intellectual, and union leaders of the world to act to prevent the "outbreak of a war to which a date, 15 January, has apparently been set."

He said that the path of political negotiation has not been exhausted and indicated that "the use of war to consolidate hegemonic actions is repugnant to mankind's civilized conscience."

Fernandez that said he agrees with "the dramatic words" of Pope John Paul II, who said on Christmas that war was a dead-end road.

In remarks that were extensively covered by the local press today, Fernandez stated that the consecutive violations of human rights throughout the Middle East demand clear, firm, and sustained political will on the part of the international community to help find permanent and valid solutions.

## Mexico, Venezuela Extend San Jose Oil Pact

*PA0201180491 Mexico City NOTIMEX in Spanish 2028 GMT 29 Dec 90*

[Text] Mexico City, 29 Dec (NOTIMEX)—The Foreign Secretariat has announced that the Mexican and Venezuelan Governments have decided to extend the San Jose agreement on the distribution of petroleum to Central America to 31 May 1991.

The Foreign Secretariat reported that, upon confirming the extension of the agreement, the two countries placed at the disposal of the beneficiary countries a mechanism of short-term financial support to resolve the cash flow problems stemming from the abrupt increase in petroleum prices.

The Foreign Secretariat said that with the extension, Mexico and Venezuela reiterate their commitment to ensure a stable oil supply to the Central American and Caribbean nations, despite the uncertainty in the international petroleum market.

Through the San Jose Pact, which has been extended 11 times, Mexico and Venezuela distribute petroleum at preferential prices to 11 Central American and Caribbean nations. The beneficiary countries are Barbados, Belize, Costa Rica, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, the Dominican Republic, and Haiti.

The Foreign Secretariat said that within an established period of time, a bilateral (Mexico-Venezuela) committee will analyze new methods and conditions for the delivery of petroleum so as to guarantee this cooperation with the program's beneficiary countries.

## Bahamian Diplomat Named New OAS Chairman

*FL0201191591 Bridgetown CANA in English 1853 GMT 2 Jan 91*

[Text] Washington, Jan 1 [date as received], CANA—Ambassador Margaret E. McDonald, of the Bahamas, on Wednesday became the new chairman of the Permanent Council of the Organisation of American States (OAS). She replaces ambassador Juan Pablo Lohle.

Ambassador McDonald, who will preside over the highest permanent political body of the OAS for the next three months, underscored her determination to work for the strengthening of inter-American solidarity and of democratic structures, and for the improvement of the quality of life for all in the hemisphere.

The vice chairman for the next three months is the permanent representative of St. Lucia, Ambassador Joseph Edsel Edmunds.

## Cuba

### FAR 1991 Defense, Economic Guidelines Issued

*FL0301020891 Havana Radio Rebelde Network in Spanish 0000 GMT 3 Jan 91*

[Text] Guaranteeing the preparation for defense and combat readiness is one of the 20 points of the Revolutionary Armed Forces [FAR] Ministry and the National FAR Civilian Workers Union for 1991 during which this labor union organization marks the 20th anniversary of its founding. Other objectives are to fulfill the tasks set forth for the special period as well as production, services, and teaching plans with the quality, efficiency, and the strictest sense of savings of human, material, and financial resources.

The document that includes the guidelines was signed by Division General Ulises Rosales del Toro, first FAR vice minister; Colonel Rolando Alfonso Borges, chief of the main FAR political directorate; and Jose Antonio Roque Arias, secretary general of the National FAR Civilian Workers Union.

The document expresses the will to guarantee greater labor, administrative, technological, economic, and social discipline as well as to combat criminal activities, corruption, and everything that threatens the interests of society. The implementation of severe measures will be promoted against those responsible in those places where losses and shortages are detected. The attention to workers incorporated into agriculture production will be prioritized. Self-sufficiency and the agricultural food program will be guaranteed.

The guideline on the gradual implementation of the appropriateness [idoneidad] of a position, broad profile, and [words indistinct] and the creation of experts' committees in places where these have not been yet created is of vital importance for the parties.

### Ambassador to USSR 'Optimistic' about Ties

*FL0201131591 Havana Tele Rebelde Network in Spanish 1200 GMT 2 Jan 91*

[Text] Cuban Ambassador to the USSR Jose Ramon Balaguer has expressed our country's desire to maintain efficient and mutually advantageous bilateral economic relations with the USSR. Balaguer appeared on the central Soviet television station on the occasion of the 32d anniversary of the triumph of the revolution on 1 January 1959. The Cuban ambassador in Moscow added that we will work with the Soviet Union so that our trade will continue to be fair, effective, and full of mutual advantages.

Likewise, he expressed optimism about the ties between Cuba and the USSR. Concerning the situation in our country, Jose Ramon Balaguer stated that there are problems, but he stressed our intellectual abilities and the scientific advances made, which ensure our capacity to confront this moment.

### Foreigners To Pay More for Gasoline

*PA0301015791 Madrid EFE in Spanish 1921 GMT 2 Jan 91*

[Text] Havana, 2 Jan (EFE)—Due to the increasing scarcity of petroleum, Cuba has started the year with gasoline price increases for foreigners and strict fuel rationing for Cubans. The scarcity of petroleum is the result of internal problems in the USSR.

The gasoline increases for foreigners were very steep. In some cases, the price increased 100 percent over the previous rate.

The premium gasoline, which is sold in dollars, now costs 90 cents per liter. It was previously 69 cents.

The foreigners who reside in Cuba and have been assigned the so-called A Certificate (currency used by socialist country citizens that can only be used to buy products from Cuba or any of the other socialist countries) will now have to pay 1.10 pesos for the liter of premium gasoline that they previously bought for 51 centavos.

The price of gasoline is the same as it was last year for the Cuban citizen (a liter of premium gasoline costs 32 centavos), but strict fuel rationing has been in effect since the last quarter of 1990.

The rationing of fuel varies according to the type of vehicle owned. For example, an owner of a LADA vehicle previously had a monthly allotment of 76 liters. This has now been reduced to 60 liters.

Cuban officials have stated that gasoline prices have increased because the USSR reduced its supply of petroleum to Cuba.

According to the figures given by Cuban President Fidel Castro, the USSR had previously send Cuba 13.2 million tons of petroleum annually, however, in 1990 the USSR sent 3 million tons less.

### Refugee in Costa Rica Reports Intelligence Work

*PA0201154391 Managua LA PRENSA in Spanish 26 Dec 90 pp 1, 12*

[Report by Roger Suarez M.]

[Text] Ihofvany Dumenigo, one of the three Cuban professionals who had worked in Nicaragua and who recently sought asylum in Costa Rica, has been interviewed by the media. He has talked about the constant fear which Cubans feel in our country given the strict surveillance maintained by Havana's intelligence services.

"When I disappeared, members of the Cuban security (CH-2) had prepared a plan to evacuate me—drugged and carried on a stretcher—under the pretext that I was extremely ill and that I had to be sent back to Cuba immediately," Dumenigo told journalists of the Costa Rican newspaper LA PRENSA LIBRE.

Ihofvany, a 22-year-old nurse specializing in psychiatry, had been notified by the Cuban Embassy in Nicaragua that he must urgently return to Cuba even though he still had eight months left before ending his contract to work as an internationalist. He then decided to hide in some friends' house, where he learned about the Cuban security's plans to drug him and take him back to his country.

Dumenigo told LA PRENSA LIBRE's journalists that similar cases have occurred in Nicaragua, where fellow countrymen who are suspected of planning to seek asylum in other countries have been captured.

He recalled that in 1984 Cuban Dr. Gerardo Banguela sought asylum at the Honduran Embassy in Managua. The doctor was later deceived by a woman working for the Sandinist counterintelligence, and he made the mistake of leaving the diplomatic mission.

Cuban security members caught him and beat him up. He was later blindfolded, placed in a cast, and taken to Cuba as if he were a critically ill internationalist who needed an urgent operation in Havana.

Dumenigo also talked about another Cuban who had completed his internationalist service in Nicaragua and was preparing to return to his country with merits and medals.

This Cuban had married a Nicaraguan woman who was also a leader of a Sandinist women's organization. The couple was spending their honeymoon in the woman's house. "When Cuban security learned what had happened, he was dragged out of the house and—after taking away all his medals and his party card—he was sent back to Cuba under escort. He was then subjected to disciplinary action and accused of trying to desert."

Dumenigo said that the warning issued to Cubans working abroad is: "It is better to return the body of a martyr to Cuba than to return the suitcases of a traitor."

He said that no one knows how many of the Cubans working in our country would like to desert instead of return to the island.

Dumenigo said that Luis Ruiz Hernandez, chief of the Cuban medical brigade in Nicaragua, is one of the persons who constantly intimidates the Cubans. He forces personnel to turn in a monthly report giving complete details of their friends and other persons with whom they might have had contact.

Dumenigo recalled that he was arrested twice in his country simply because he had struck up a friendship with foreign tourists.

He said that his decision to escape from Cuba is strictly political. "I was not among those who lived the worst, if we take into consideration how the majority of the Cuban people live. I could not, however, stand the repression any more. The dynasty which rules my country is mad, and it is swollen with arrogance," he added.

He told LA PRENSA LIBRE's journalists in Costa Rica that if his country's counterintelligence had captured him "perhaps I would now be in a clandestine cemetery, in a prison, or—in the best of cases—in an insane asylum."

## Inter-Caribbean

### Caricom Demands Shankar Government Reinstatement

*FL0301140091 Bonaire Trans World Radio in English 1130 GMT 3 Jan 91*

[Text] The Caribbean Community [Caricom] is considering revoking Suriname's observer status. Caricom chairman and Jamaican Prime Minister Michael Manley called the recent Army coup Christmas Eve an unconstitutional suspension of the democratic process in Suriname. He demanded the immediate restoration of power to the elected government of Ramsewak Shankar, the man who was replaced last Saturday by Johannes Kraag, chosen by the military.

### Caribcare Forecasts More 'Subversive Threats'

*FL0201193891 Bridgetown CANA in English 1714 GMT 2 Jan 91*

[Text] Port of Spain, Trinidad, Jan 2, CANA—A Caribbean human rights group has warned that "subversive threats" to governments in the region would increase this year, if greater sensitivity to hardships and complaints are not shown to the population.

"We believe that in 1991, the subversive threats to elected governments would increase and unfortunately in some cases, even gain substantial public support if the powers that be do not show greater sensitivity to hardships and complaints raised within their respective populations," said the Caribbean Institute for Human Rights (Caribcare).

"This is especially so in the current times of economic hardships and growing competition for power and scarce resources in our small societies," Caribcare said in a New Year's Day message.

It said Caribbean governments need to strengthen the protective and intelligence services and develop more responsive mechanisms to accomodate public complaints and grievances between election periods. The human rights organisation said subversive movements, some with external assistance have been springing up in several of the small states of the Caribbean, particularly in Antigua, Dominica, and St. Vincent. "Trinidad and Tobago will be no exception," it warned.

It viewed with grave alarm, the growing tendency of the violent and illegal attempts to overthrow democratically elected governments of the region.

"Such situations have serious implication for the basic rights and freedoms of citizens in Caribbean states, especially when one consequence of such destablisation

is the suspension of civil liberties through the declaration of states of emergency," it said.

Caribcare said matters of national security and stable governments are now the paramount issues surrounding human rights in the Caribbean.

"The recipe against political instability is to have widely supported governments, sensible socio-economic planning, effecient intelligence services, and some more humility from elected officials.

"It is the public right to expect these things because it is on this basis that social commitment and individual responsibility would grow," it observed.

Caribcare called on "those with moral authority" to speak up and act against subversion, bad public example, and bad government whenever and wherever these arise against public interest.

"We do not advocate the cumulative formation of more oppressive means of governments, but rather the establishment of more open and sensitive governments across the Caribbean if subversion is to be neutralised or rejected by public opinion," the organisation said.

## Barbados

### Election Campaigning Resumes After Holidays

*FL0301001091 Bridgetown CANA in English 2227 GMT 2 Jan 91*

[Text] Bridgetown, Barbados, Jan 2, CANA—Political parties here have quickly put their campaigns on the road, after the traditional New Year's celebrations cut three campaign days from the 23 allowed by last Saturday's announcement of a January 22 general election.

The National Democratic Party (NDP) was first off the ball, with a public meeting announced for Wednesday night just outside the capital, while the ruling Democratic Labour Party (DLP) and the Barbados Labour Party (BLP) scheduled their first meetings for Thursday night.

Although the parties saved the formal launchings of their campaigns for the end of the holidays, they all seized the opportunity for some canvassing and verbal potshots while meeting constituents and party members at functions over the holidays.

The BLP's first meeting will be outside government headquarters situated in Prime Minister Erskine Sandiford's constituency, and according to BLP leader Henry Forde, is intended to send a message to the prime minister.

"We are ready to take the government," Forde reportedly told constituents while canvassing Tuesday. He was quoted as telling BLP Old Year's night revellers that: "Sandi says he has surprises, but we, the Barbados Labour Party have victory."

The NDP, meanwhile, was putting together a seven-speaker roster, including party leader Dr. Richie Haynes, and keeping a close lid on its complete slate of candidates, expected to be revealed at Wednesday's public meeting.

Sandiford, who from the announcement of elections declared that the party was ready for a "test match," continued in the sports vein at a DLP Old Year's night party, reportedly telling suppporters: "We will triumph again. Let us make it a grand slam in 1991."

In 1986 elections, the DLP, then led by veteran Errol Barrow, took 24 of 27 seats contested, with three going to the BLP. The third party in the 1991 contest, NDP, has come out of a group of four DLP members of Parliament who defected two years ago.

Sandiford has appealed for commonsense and good conduct during the elections, and has written all DLP constituency branches advising against the defacing of walls, culverts, and rock faces with painted election messages.

## Dominican Republic

### * Hainamosa Free Zone Nears Completion

*91CA0037C LISTIN DIARIO in Spanish 5 Nov 90 p 1-D*

[Text] The Hainamosa Industrial Free Zone in eastern Santo Domingo will begin to operate with 15 national and foreign industries, and an investment exceeding RD [Dominican Republic pesos] 31 million. The Central Bank has provided RD 16 million of this amount, and commercial banks RD 9 million.

The chairman of the Santo Domingo East Industrial Free Trade Zone Corporation said that this industrial park will be expanded during its second phase. At that time, they expect to add another 20 national and foreign industries, and joint public-private ventures.

Businessman Rafael A. Burgos Gomez said that during the first phase there will be 25 textile companies in the Hainamosa Free Trade Zone: one jewelry maker, one furniture company, one infant wear firm, and another specializing in mink apparel.

He said that for the second phase the corporation has received requests from potential investors in textiles, footwear, airport equipment and materials, jewelry, and safety and protective items.

He said that this industrial park, undertaken at private initiative, will have the features the industrial sector needs in order to grow. He mentioned the quality of the area's infrastructure, including its own drinking water, sewage and emergency electricity generating systems.

The corporation has completed the asphalt work on the internal streets of the Free Trade Zone, and is now working on the construction and preparation of access

roads to serve the industrial park. The industrial park is located in an area adjacent to the Hainamosa and Invivienda [National Institute of Housing] housing projects, in the eastern section of Santo Domingo.

Construction will begin on the Isabela Industrial Park in the Hainamosa area during the next few months. The president of the Dominican Republic has already allocated the site for this project.

### * 23 Free Trade Zones Create 37,100 Jobs

*91CA0037B Santo Domingo EL SIGLO in Spanish 22 Nov 90 p 1-D*

[Article by Jose Javier]

[Text] Even though businessmen and industries established in free trade zones complain about the loss of competitiveness in the Dominican Republic in relation to Central America, during the first nine months of this year there has been a marked increase in the number of companies in this sector.

Never since the establishment of the first free trade zone in La Romana in 1969 has the number of companies in the sector experienced such a high growth rate as during the course of the present year.

In 1987, there were 180 companies in free trae zones in the Dominican Republic. In 1988 that figure increased to 224, an increase of 44 companies. In 1989, the number of companies rose to 272, an additional 48. And as of 30 September 1990, the number of these companies had risen to 340, which is 68 new industries.

Quite the opposite has happened in terms of job creation. According to the official statistics, between 1987 and 1988 15,093 new jobs were created; in 1989, 28,972 new jobs were created, but in 1990, this rate declined. As of September, only 8,129 jobs had been created since the end of 1989.

The figure of 35,000 jobs in 1985 was multiplied by almost four up to 1989, but this year the growth rate has diminished; this is apparently due to wage increases and the energy and fuel problems affecting the Dominican Republic.

During the early years of the decade—up to 1985—job creation was low. In 1981, 404 jobs were generated; in 1982, 534; in 1983, 6,402; and in 1984, 5,242.

Of the 340 companies in free trade zones in the Dominican Republic as of 30 September 1990, 207 were involved in textile manufacture; 22 in electronics, and 41 in footwear and leather goods.

Six companies are involved in pharmaceuticals; nine in jewelry; ten in tobacco processing; and 56 in miscellaneous industries.

Of the 23 free trade zones located throughout the Dominican Republic, the largest number of companies is in the Santiago free trade zone, which has 62; in San Pedro de Macoris, 80; in La Romana, which has 33; in La Vega, 34; and in Puerto Plata, which has 14.

The industries which have generated the most jobs are in Santiago, with 35,000; in San Pedro de Macoris, 34,000; La Romana, 16,187; Itabo, 4,200; La Vega, 5,800; and Bonao, 3,600.

Contrary to what some businessmen believe, salaries are not of overwhelming importance when it comes to choosing a specific country to set up new industries in free trade zones.

It is, however, possible that problems such as energy, fuels and shipping costs, as well as the nation's domestic tranquility, may be factors affecting the establishment of such businesses.

### * Central Bank Reports on Money Supply

*91CA0037A Santo Domingo EL SIGLO in Spanish 17 Nov 90 p 1-D*

[Article by German Reyes]

[Text] Monetary issues, considered one of inflation's leading causes, given the stagnation in production, reached RD [Dominican Republic pesos] 1.3817 billion during the first ten months of 1990. This is the equivalent of 28 percent [sic] of the 1989 total, according to Central Bank records.

Last October, the Central Bank issued 198.5 million, RD 3.5 million more than in September, when this figure was 194.97 million.

The money supply, defined as the sum of notes, paper currency and fractional paper notes issued by the Central Bank and sight deposits, was RD 4.2206 billion last December; in October it was RD 5.6025 billion.

The notes issued last October came to a total of RD 29 million, and sight deposits amounted to RD 169.7 million.

In September, the total of sight deposits was RD 1,995,999,192.24, and the total amount of banknotes issued was RD 3,407,872,065.00.

The amount of smaller denomination paper currency issued remained unchanged; no money of this type was issued.

During the first ten months of 1990 the money supply remained constant. Last December, at the end of 1989, it was RD 4.2206 billion; in January it rose to RD 4.3374 billion.

In February, the money supply was RD 4.6071 billion, and in March it came to RD 4.7875 billion. In April it was RD 4.8568 billion; and in May, RD 4.8649 billion.

In June, the money supply was RD 4.9499 billion; it July it crossed the 5 billion threshold, reaching RD 5.0625,

and in August RD 5.2088. In September it was RD 4.4038, and in October RD 5.6025 billion.

At that rate, the money issued should reach the approximate level of RD 1.8 billion by the end of the year, since the increment is close to RD 200 million a month.

The money supply data was extracted from the Central Bank's General Balance Sheet, closing on 31 October 1990. One reason for increases in the money supply is that the dollar's price is also higher. Last month the official exchange rate slipped downward, but not in the same proportion as in the foreign currency black market.

## Salinas Pledges Not To Send Troops to Gulf

*PA0301043591 Mexico City NOTIMEX in Spanish 2045 GMT 2 Jan 91*

[Text] Mexico City, 2 Jan (NOTIMEX)—Today, President Carlos Salinas De Gortari stated that [Mexican] troops would not be sent to the Persian Gulf because Mexico has, traditionally and with conviction, always rejected the use of force and has defended the peaceful resolution of conflicts.

As he received the regards of the Armed Forces for the New Year, the president asserted that he had decided not to send troops to the Persian Gulf because he is convinced that the implementation of international law is what is best for the interests of Mexico.

He noted that Mexico has fully supported the Security Council's resolutions on the crisis in the gulf. He said that he hoped that the implementation of these resolutions would result in dialogue and in diplomatic negotiations, as their content and significance were quite clear to everyone.

On another matter, Salinas said that Mexico is presently working hard and at peace and that it is resolving its differences in freedom.

The president said: "Mexico is living a unique situation compared to events that are taking place around the world. We are advancing in unity and we are acting with foresight, as well."

He said that the beginning of the new year is always a good time to evaluate who we are and what we have done, and to make plans to work and improve so that prosperity can come to all.

In this respect, he emphasized that the country is changing internally as had been programmed and that this had strengthened national sovereignty and protected the nation.

Salinas said that Mexico is becoming modern and its citizens are aware that there is no time to lose, because despite the advancements accomplished thus far, there are still problems to be resolved.

He said that the Mexicans have a new attitude of faith and trust in themselves, "because we are a united nation that can and wants to work in peace."

With regard to the role of the Armed Forces, the president praised its exemplary courage and loyalty as "they represent the ideology of sovereignty and justice that is the basis for the country's modernization program."

The president reported that the system to detect and control drug trafficking must be consolidated during 1991, as more information is needed to obtain better results in the war against drug trafficking.

Navy Secretary Carlos Ruano Angulo and Defense Secretary Antonio Riviello Bazan also spoke during the ceremony and reaffirmed the loyalty of the Army and the Navy to the executive branch and the institutions of the country.

## * Communist, Worker Parties Meet in Mexico City

*91CA0038B Mexico City LA JORNADA in Spanish 4 Dec 90 p 21*

[Text of "Meeting of the Communist and Worker Parties of Latin America and the Caribbean: The Declaration of Mexico," Mexico, D.F., 30 Nov 90.]

[Text] At a meeting held in Mexico City from 26 to 30 November 1990, Communist and Worker Parties of Latin America and the Caribbean held wide-ranging, fraternal, fruitful discussions, at the conclusion of which they described individual national situations, individual experiences, the opinions of every party, and agreed to abide by accords and agreements made in the current struggle against the imperialist offensive and local allies. They also found common ground for intensifying the workers' and people's struggles for democracy, social justice, national sovereignty, and peace, tasks for which they deem it indispensable to pay heed to their general agreement with other democratic and anti-imperialist forces.

We hereby declare:

1) That we share the conviction that Marxism-Leninism demonstrates its relevance and complete validity; that it continues to be valid because it is a living, developing theory susceptible to continuing improvement; that the vigor and richness of events in the world today require a far-reaching, rigorous examination that may constitute a major contribution to the enrichment of Marxist-Leninist theory.

2) We have analyzed problems occurring in the East European countries and gained ever greater knowledge of processes now underway in the USSR. We agree that what is in crisis is a model of building socialism and that such processes will yield experiences that will enrich the development of revolutionary theory and constitute an incentive in the world struggle for liberation, democracy, and socialism.

3) An analysis of the facts shows that the world capitalist system is still in crisis and that it is trying to adapt to changes generated by the scientific and technical revolution by imposing a new international division of labor through the neoliberal crusade underway; that in the specific case of Latin America, the system has not only demonstrated its inability to solve the region's problems but, on the contrary, has aggravated them; that capitalism has led our countries to growing dependency and our nations to prostration, exploitation, and poverty; that for our peoples, there is no future in the capitalist system and that all their hope and struggle for a better future lie in the socialist system.

4) That imperialism has not disappeared or changed in nature; that in Latin America we are daily suffering its effects and assaults; that the two are expressed in different ways: in the ever more unequal and inequitable commercial trade, the usurious management of the unpayable foreign debt, the exploitation of our labor force and natural resources by direct investments, the capital drain, state terrorism, "low-grade" war, restrictions on democracy, the use of every possible means to destabilize any country that decides to emancipate itself and follow an independent, sovereign path, the artificial buttressing of antipopular, antinational governments and repressive armies, the use of violence and the most blatant forms of military invasion, as in the case of Grenada and Panama, the massive presence of American troops in Honduras and the growing blockade of Cuba. It is also expressed in Colombia, Bolivia, Peru, and other countries, where imperialism, using the pretext of fighting drug trafficking, seeks to solidify its direct military presence.

In the case of El Salvador, we support the struggle of the people and their vanguard, the FMLN [Farabundo Marti National Liberation Front] and oppose American intervention in that country.

5) That imperialism's neoliberal strategy leads to a process of growing neocolonization; that the so-called Bush initiative for the Americas, with its claim of uniting the entire region in a free market of capital, labor, and goods, tends to create conditions so that American monopolies may be in a better position to face competition with the Japanese and Europeans and thus solve their own crisis at the cost of destroying our prospects for sovereign development; that this imperialist strategy must be met by a program of economic, scientific, and technological integration of the Latin American and Caribbean region substantially different from that proposed by imperialism, while emphasizing the demand for a new international economic order.

6) That the fight for the socialist future of our countries is based on the anti-imperialist struggle for complete economic and political independence and sovereignty, which must in turn be expressed in the real exercise of self-determination with its two other consubstantial aspects: improving the living conditions of the great masses of the people and expanding the democratic system.

7) That today's struggle does not belong exclusively to the communists, but rather, legitimately involves all other organizations, currents, and factions of the entire leftist spectrum and, beyond the left, all potentially anti-imperialist forces, including some sectors of the bourgeoisie; that we Marxist-Leninists of Latin America and the Caribbean declare our opposition to any expression of sectarianism or exclusivity and express our firm decision to fight on an equal footing alongside all other forces willing to contribute to the cause of the emancipation of our countries, the defeat of imperialism and its local allies, improved living conditions for our people, expansion of the democratic system, and Latin American and Caribbean regional integration.

8) That within this context, we hail the announced celebration of a wide-ranging meeting of all manner of leftist forces from the region, whose immediate precedent was the meeting in Sao Paulo, Brazil, sponsored by the Brazilian Workers Party; that we propose to contribute to the success of that coming meeting to be held in Mexico City in February 1991 and shall make every effort to make it as broad as possible, understanding that the anti-imperialist fight is the task of a broad spectrum of forces and that any sectarianism along these lines is contrary to the higher objectives of independence and sovereignty, development, and social progress that we are endeavoring to achieve.

9) That we demand a peaceful, negotiated solution to the crisis in the Middle East and oppose any military outcomes that would not help check the economic-social crisis in the world and that would endanger world peace.

10) We express our gratitude to the Mexican Popular Socialist Party for sponsoring this Meeting of Communist and Worker Parties of Latin America and the Caribbean and for all the work it has done to ensure the success of the meeting.

Mexico City, Federal District, 30 November 1990.

Simon Bolivar Guerrilla Coordinating Committee (Colombia), the Communist Party of Argentina, the Cuban Communist Party, the Communist Party of Chile, the Communist Party of Honduras, the Communist Party of Ecuador, the Communist Party of Uruguay, the Dominican Communist Party, the Peruvian Communist Party, the Salvadoran Communist Party, the Venezuelan Communist Party, the Guatemalan Labor Party (6 January), the Guatemalan Labor Party (National Leadership Cell), the Popular Socialist Party (Mexico), the Panamanian People's Party, and the Popular Vanguard Party (Costa Rica).

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## * Program To Boost Ejido Production Described

*91CA0058A Mexico City LA JORNADA in Spanish 22 Nov 90 pp 1, 8*

[Article by Elena Gallegos and Victor Hernandez Tamayo, Apetatitlan, Tlaxcala]

[Text] Speaking here today, President Carlos Salinas de Gortari stressed the urgent need to reformulate organizational and production structures on the Mexico ejido [Indian communally-held farmlands] because existing structures are not adequate, cannot support a family, and the soil "is eroding and wearing out."

Responding to representatives of ejido members who told him they "refuse to become ever poorer and want a dignified life," the president emphasized the urgent need to work out a new program of insurance, provide producers with better seed and, above all, ensure marketing functions for the peasant rather than the middleman, while making certain that the former's efforts "do not remain in the bins of a few agents."

On what was formerly La Aguanaja ranch, Salinas de Gortari met with hundreds of representatives of producers. He heard from Governor Beatriz Paredes the guidelines of a new program being applied on the property, known as "collaboration with the ejido sector in order to improve production and productivity," and involving technicians, assistants (agronomists, veterinarians, and so on), and producers.

He said the program can be a pioneer based on the way it organizes production on the ejido and promised support for the program in the form of "prices set in time and paid in time. We shall do so with timely credit and by helping those who can no longer receive credit from BANRURAL [National Rural Credit Bank], using a stronger program of solidarity for production and increased resources."

He insisted that the peasants' voices would be heard and that resources would come from PRONASOL [National Solidarity Program]. He maintained that assistants in related fields, technicians, and producers can improve conditions in rural areas, learning from one another.

He explained that when the ejidos were set up in Mexican rural areas, the population in some states was in some cases one-fifth or one-tenth the current figure. "With the children and young people who join these families every year, we cannot continue to organize and produce on the land as we have for decades or even centuries."

He said we must therefore see the current situation as it is and pointed out that while 20 or 30 years ago a family may have had as much as eight hectares, with today's population growth, a family may not even have one. Consequently, rural areas cannot produce enough, families do not benefit, and no price is adequate to meet the needs of such families.

"We must completely rethink our production methods on the ejidos throughout the country," he emphasized.

Governor Paredes had previously told him of her program of collaboration, saying officials are determined to modernize the ejidos. Producers, technicians, students, and institutions have all come together, "despite the fact that we are aware of the unequal terms of trade of the farm sector vis-a-vis the rest of the economy, the scant flow of resources for adequate training, the risk of competing with subsidized international products and, in some cases, the importance of revitalizing farm production."

She referred to the eternal rural demand: "that technical assistance be geared to the ejidos, that technicians work with us, cease being mere extensions, and know more than we do so they may truly guide us."

The governor explained that the program in question consists of making "a participatory diagnosis" involving technicians and producers in a survey of all resources of the ejido so as to design a program of production and technical assistance based on the real circumstances in rural areas and our peasants' expectations of changes in technology.

Based on all these factors, tasks are assigned to technical assistants aided by advanced students on every ejido completing their theses for degrees in agricultural biology, agronomy, or veterinary science. Extension workers will have goals specifically geared to each ejido and aimed at increasing productivity based on a set schedule.

At the same time, peasants will pledge to meet production goals and, based on a collaboration agreement, every participating ejido in Tlaxcala (194, 80 percent of the total) will have an extension worker and an assistant with a specific program based on social participation, agro-ecological factors, existing infrastructure, and reasonable expectations of technological innovation in agriculture.

In addition to proposing and pledging to meet goals of increased productivity, peasants will continually evaluate compliance with such agreements, the governor concluded.

### Related Reporting on Ejido Production

*WA0301153290*

For related Monterrey EL NORTE reporting on ejido coinvestment plans, please see the Mexico section of the 26 November Latin America DAILY REPORT, pages 14-16.

## El Salvador

### Rebels Shoot Down U.S. UH-1M Helicopter

#### 'Three Foreigners' Killed

*PA0301015491 Paris AFP in Spanish 0116 GMT 3 Jan 91*

[Text] San Salvador, 2 Jan (AFP)—Salvadoran guerrilla groups reported today that they shot down a helicopter equipped with rocket launchers in the eastern zone of the country, adding that "three foreigners" who were traveling in the aircraft died in the action.

The clandestine station Radio Venceremos, official spokesman for the Farabundo Marti National Liberation Front (FMLN), said in a preliminary report that the aircraft shot down by its antiaircraft fire is a U.S.-made UH-1M helicopter equipped with rocket launchers. The report added that it had crashed at 1430 in Lolotique, located in eastern San Miguel Department.

Approximately 50 U.S. officers work in El Salvador as military advisers.

According to the rebels' version, FMLN members inspected the remains of the helicopter after it fell and found three corpses inside the aircraft.

According to the identification papers found on them, the dead people were "foreigners," but Radio Venceremos provided no further details.

The guerrilla forces said they had found one M-60 machine gun, three pistols, and "important documents" inside the aircraft.

Military sources consulted by AFP said that the Army has yet to confirm the incident. Other military sources in the eastern sector of the country said they had no information about the guerrilla report.

#### Kill U.S. Citizens

*PA0301020291 Paris AFP in Spanish 0148 GMT 3 Jan 91*

[Text] San Salvador, 2 Jan (AFP)—Salvadoran guerrilla groups today caused the death of three U.S. citizens when they shot down a military helicopter being flown by Daniel Scott, it was reported by the clandestine station Radio Venceremos, official organ of the Farabundo Marti National Liberation Front.

Scott, one of the three who died, was flying the aircraft from the Ilopango Military Base toward eastern San Miguel Department when it was shot down. Radio Vencemeros said the aircraft was flying over a war zone when it was downed.

#### U.S. Embassy Confirms Crash

*PA0301025491 San Salvador Radio Cadena YSKL in Spanish 0223 GMT 3 Jan 91*

[Report by Raul Beltran]

[Text] U.S. Embassy sources, who asked not to be identified, confirmed tonight that a helicopter crashed this afternoon in the area near Las Lajas stream, in the jurisdiction of (El Balon) and Amaya Canton, north of Lolotique. While the sources confirmed the crash of the helicopter, they refused to provide the names of the occupants because the U.S. Embassy and the U.S. Armed Forces do not release names to the press until the relatives of the victims have been notified.

Other high-ranking military sources told YSKL that a vast operation to recover the victims has been initiated in the area with the support of infantry troops and the Salvadoran Air Force. The sources refused to confirm to YSKL whether there were five or six occupants in the U.S. helicopter downed late this afternoon.

U.S. Embassy sources told this station that the Huey helicopter was not armed and that it was used to transport the U.S. advisers throughout El Salvador. They condemned the action because according to them it was not armed and was therefore not a combat craft. They said it was only used to transport the U.S. advisers to various military units in El Salvador.

#### Casualties of Downing Identified

*PA0301044991 Paris AFP in Spanish 0424 GMT 3 Jan 91*

[Text] San Salvador, 2 Jan (AFP)—The judicial authorities of San Miguel, located 130 km east of San Salvador, confirmed this evening that at least one of the three U.S. citizens killed in a helicopter, shot down by the guerrilla forces, is a military officer, Lieutenant Colonel David J. Piquet.

The two other dead men are aviation technician Ernest Dawson and Daniel Scott, who was flying the aircraft shot down by the rebels.

The corpses have been transferred to the 3d Infantry Brigade headquarters in San Miguel, and they will be taken to San Salvador tonight. A judicial source said that they may be transferred to the United States on Thursday, 3 January.

Meanwhile, local media have reported that the corpses showed multiple bullet wounds.

### FMLN Rejects Reports of EPS Missiles Sale

*PA0201224191 Mexico City NOTIMEX in Spanish 2158 GMT 2 Jan 91*

[Text] San Salvador, 2 Jan (NOTIMEX)—The Salvadoran guerrilla groups' general command has denied its involvement in the illegal traffic of antiaircraft missiles

and demanded that the Nicaraguan Government promptly release the Salvadorans who were recently arrested.

The Farabundo Marti National Liberation Front (FMLN) issued a press communique today to deny the Sandinist People's Army (EPS) statements concerning the involvement of Nicaraguan officers in the delivery of weapons to Salvadoran rebels.

The EPS reported yesterday that several Nicaraguan officers and 11 Salvadorans were arrested in connection with the traffic of surface-to-air missiles, which had reportedly been delivered to Commander Joaquin Villalobos, member of the FMLN's General Command.

The communique states: "It is totally untrue that Commander Joaquin Villalobos has been involved in the receipt, or any other kind of transaction, of these weapons."

The FMLN rejected the Salvadoran citizens' arrest and "the methods used for the arrest," and demanded that the Nicaraguan Government promptly release them.

The rebel leadership also warned that "the FMLN and the Salvadoran people have the legitimate right to arm themselves as long as the war and U.S. support to the Salvadoran Army continue."

"If the military high command continues its bombings, the FMLN will continue to use all kinds of means, including missiles, against the criminal Air Force," the rebel leaders warned.

In November 1990, at least two aircraft were shot down with Soviet-made missiles during the strongest military maneuver launched by the FMLN throughout the year.

The FMLN recognizes in its four-point communique that it has this type of weapon in its possession, but it stated that they have been acquired "in different countries."

According to the FMLN, the arrest of Salvadoran citizens living in Nicaragua is part of the "strong pressures exerted by (Alfredo) Cristiani's administration on the Nicaraguan Government, and with the support of the United States."

The commanders asserted that "the feeling of solidarity and unity created in the continent toward just causes will not be stopped by U.S. pressure."

## Government, FMLN Said Holding Talks in Mexico

*PA0301043791 Madrid EFE in Spanish 0201 GMT 3 Jan 91*

[Text] Mexico City, 2 Jan (EFE)—Representatives from the Salvadoran Government and the Salvadoran guerrillas met in Mexico in December and will probably meet again in January in an attempt to reach an agreement to end the 12-year armed conflict in that country, a source close to the United Nations told EFE today.

[San Salvador Canal Doce Television in Spanish at 0313 GMT on 3 January carries a report which says that "representatives of the government and the guerrillas will meet behind closed doors on 3 January in Mexico City to discuss the sole topic of the UN proposal concerning the Armed Forces issue."]

The source added that representatives from the Farabundo Marti National Liberation Front (FMLN) and the government, headed by President Alfredo Cristiani, held intensive talks in a cordial atmosphere, but did not reach any specific agreement.

The source stressed that the Mexican Government has offered a variety of facilities so that the dialogue can be held within strict security measures at a location that cannot be disclosed for obvious reasons.

The same source noted that since 1990, Peruvian Alvaro de Soto, representing UN Secretary General Javier Perez de Cuellar, has met frequently with representatives of the Cristiani government and with the guerrillas. He has made several trips to San Salvador and Mexico, where the FMLN has representation.

At a meeting in Mexico at the end of October 1990, FMLN and Salvadoran Government representatives agreed to continue to hold talks geared toward reaching an agreement.

On 24 December, the Mexican Foreign Secretariat praised the Salvadoran guerrillas' announcement of a Christmas truce.

The Mexican Foreign Secretariat also announced that the Mexican Government, headed by Carlos Salinas de Gortari, will continue to collaborate in every way possible with efforts by the UN secretary general to ultimately establish peace in El Salvador.

## Human Rights Commission Issues Annual Report

*PA0201140591 Mexico City NOTIMEX in Spanish 2007 GMT 28 Dec 90*

[Text] San Salvador, 28 Dec (NOTIMEX)—The nongovernmental Salvadoran Human Rights Commission's (CDHES) annual report has reported that at least 900 people were murdered, 100 have disappeared, and 500 were arbitrarily arrested by the Salvadoran Army during 1990.

At a news conference, the CDHES leaders asserted that the human rights situation in El Salvador has gotten worse despite the pressures that have been placed on the Salvadoran Government and Armed Forces by the international community during the past year.

According to Miguel Montenegro, the paramilitary groups known as "death squads" have acted "with impunity in different parts of the country" during the past 12 months. During this period, forced recruitment continued to take place in the country.

The CDHES has stated that Alfredo Cristiani's administration "has not made any improvements regarding human rights, because it represses the people who disagree with the government's policy."

The organization also reported that the Farabundo Marti National Liberation Front (FMLN) murdered 11 civilians and arrested 39 during the past year.

The organization's leaders said that one of the positive events of 1990 was the participation of the United Nations in the negotiating process between the government and the FMLN that began in April 1990.

Referring to the human rights agreement, which was signed by both parties in July 1990, Celia Medrano noted that the agreement has not brought about "qualitative or quantitative changes in the Armed Forces' repressive policy."

The situation report prompted the CDHES leaders to call the United Nations to "act immediately," and they requested that a commission to verify the respect of human rights be installed as soon as possible.

The CDHES also reported that political freedom is being restricted and charges against the government have been made. Thus, the organization said that it was pessimistic about the legislative and municipal elections that have been scheduled for March 1991.

### UN Secretary General Praises Geneva Agreement

*PA0301151691 San Salvador LA PRENSA GRAFICA in Spanish 28 Dec 90 p 2*

[Text] UN Secretary General Javier Perez de Cuellar has said that the Geneva Agreement signed between the government and the FMLN [Farabundo Marti National Liberation Front] is innovative.

A document specifies that political agreements must be reached on the following issues: Armed Forces, human rights, the judicial system, the electoral system, constitutional reforms, economic and social problems, and UN verification.

The document explains that as far as human rights are concerned, the parties were able to reach an agreement. The document foresees the installation of a UN verification mission, comprising a director appointed by the UN Secretary General and the necessary personnel.

The secretary general affirmed to the UN Security Council that the agreement represents the first substantial progress in the negotiating process. The responsibility of the United Nations will be quite important and, up to a certain point, unprecedented, the diplomat stated.

Perez de Cuellar specified: "If current trends continue, these responsibilities will probably include the verification of a cease-fire, the supervision of the electoral process, and the verification of respect for human rights."

Dr. Javier Perez de Cuellar added: "Even though it is necessary to wait until negotiations on other topics are held, these tasks represent essential and inseparable parts of a peaceful solution to the Salvadoran conflict. They are all part of the framework of the Guatemala Agreement signed in August 1987 that established the groundwork for the Central American peace process and that earned the UN Security Council's approval."

The document concludes by stating that "given the above, given the need to guarantee coordination of the operations and to rationally use resources, and given the experience that was recently acquired with initiatives that were equally complex and difficult, at this point I must conclude that the operation must be appropriately carried out as a joint effort, under the UN Security Council's initiative, and not as individual and separate actions."

## Guatemala

### Government Takes Over Peten Oil Company

*PA0201221891 Guatemala City EL GRAFICO in Spanish 27 Dec 90 p 2*

[Text] The Energy and Mines Ministry has taken over the oil operations of the Peten Petroleum Company through Order No. 204-90.

The takeover covers all the oil activities contained in the contract for participation in production, including facilities, warehouses, stationary and movable equipment, shops, machinery, oil, files, documents, bank accounts, and other assets corresponding to the oil operations.

The takeover commission is made up by Jorge Francisco Silva Guillen, for the National Directorate of Hydrocarbons; Jose Rene Abella Cortez, for the Legal Consultation Department; and Napoleon Guix Zarate, for the Department of Auditing and Accounting. They will have all the authority granted by law.

## Nicaragua

### Sandinists on Sale of SAM Weapons to FMLN

*PA0201163791 Managua BARRICADA in Spanish 2 Jan 91 p 8*

[Communique No. 1 issued by the Sandinist People's Army (EPS) General Command in Managua on 1 January]

[Text] The EPS General Command reports that:

1. In December 1990, EPS military authorities arrested a group of military officers and civilians, including some

Salvadorans, to investigate the theft of antiaircraft weapons from EPS installations. These weapons were later sent to FMLN [Farabundo Marti National Liberation Front] rebels.

2. So far, preliminary investigations have revealed that the theft occurred in October 1990 and was discovered by counterintelligence organizations in early December 1990. The authorities proceeded to make the first arrests, to further investigate, and to establish responsibility.

3. Those arrested for this illegal arms trafficking are: former Major Odell Ortega Solano; Captain Donald Antonio Argenal Urtecho, a FAS-DAA [Sandinist Air Force and Air Defense] helicopter pilot; Captain Miguel Angel Parrales Martinez, chief of the Fifth Military Region's Antiaircraft Defense Section; Captain Reynerio Padilla Alvarez, chief of the FAS-DAA's Antiaircraft Artillery Regiment; and Salvadorans Roberto Wilbert Hernandez Rogel, Maria Luisa Ayala, Rosa, Cruz Elias Cortez Pineda, Jose Ernesto Hernandez Henriquez, Jose Hernan Canizales Velasquez, Jesus Ascencio Rivera Angel, Edelma Pena Lagos, Julio Roberto Hernandez Gonzalez, Teresa Edomilia Rivera Guerra, Maria del Carmen Rivera Dominguez, and Jose Antonio Serrano Martinez.

According to statements by former EPS Maj. Ortega Solano, the antiaircraft missiles were delivered to FMLN leader Joaquin Villalobos and to another leader who identified himself as "Rodrigo" in clandestine meetings held in Managua. These men paid several thousand dollars to obtain the antiaircraft weapons. The whereabouts of these Salvadorans is unknown, however, the EPS communique said.

4. According to these investigations, it is known to this date that the weapons shipment in question contained: six missile launchers of the C-3M type known as SAM-14 with 16 missiles and two launchers of the C-2M type known as SAM-7 with 12 missiles. All or part of these weapons were brought into El Salvador by Salvadoran guerrillas illegally through Nicaraguan territory.

5. Salvadoran military authorities sent—through the U.S. State Department—the serial number of one surface-to-air missile of the C-3M type (SAM-14) to the Soviet Government, through the Soviet Foreign Ministry. The serial number was obtained from part of a missile left behind after the rebels shot down a Salvadoran Army aircraft.

6. According to U.S. State Department sources, the Soviet Government reported that the serial number of the portable surface- to-air missile in question belongs to a shipment of missiles of this type that the Soviet Army sent to the EPS in February 1986.

7. The EPS Weapons Directorate has confirmed that the serial number corresponds to weapons of that kind which the USSR sent to the EPS in accordance with agreements existing between the Nicaraguan Armed Forces and the USSR on the date mentioned in point six.

8. Through a joint agreement with the EPS, the USSR Armed Forces appointed a commission made up of Soviet military authorities to immediately verify that the illegal use of weapons that our armed institution was the victim of is not a violation of the agreements between the Nicaraguan and Soviet armed forces. According to these agreements, the EPS, for no reason at all, can deliver weapons or ammunition to third parties without Soviet authorization.

9. The EPS warns members of our institution not to allow any person, Nicaraguan or foreigner, to get them involved in the serious crime of stealing and illegally trafficking weapons regardless of how just the reasons seem.

To carry out such actions is not only tantamount to violating Nicaraguan law but also goes against the interests of the Nicaraguan revolutionary process, which helps just causes and promotes peace in the region to the extent that we can consolidate peace, stability, and a democratic constitutional regime in Nicaragua. It is a regime we must promote and a regime in which the EPS must seek to become a more professional and disciplined organization, which shuts its doors to adventurous and illegal acts such as those described here.

Issued in Managua on 1 January 1991
Public Relations Directorate
EPS General Command

### Government Said Aware of Weapons Sales to FMLN

*PA0301003191 Managua Radio Corporacion in Spanish 2328 GMT 2 Jan 91*

[Text] Dr. Wilfredo Navarro, president of the Independent Liberal Party [PLI], has said: We must remember that General Humberto Ortega said some months ago that he would ignite Central America and that the FMLN [Farabundo Marti National Liberation Front] had the right to have surface-to-air missiles. This violates the Esquipulas presidential agreements. Also, this information was concealed from the Nicaraguan people for three months so as to prevent more arguments against the military budget. Here are Dr. Navarro's remarks to this newscast:

[Begin recording] [Navarro] Much can be said about this. In its Communique No. 1, the Sandinist People's Army [EPS] admitted its guilt and responsibility in the transshipment of Nicaraguan Army weapons to the FMLN terrorists in El Salvador. This further confirms UNO's [National Opposition Union] demand for the reduction of the Army and the elimination of war weapons from the hands of the EPS. The communique and the events in El Salvador show that this army cannot control its troops or weapons and that most of its members are becoming involved in the illegal sale and trafficking of weapons with criminals and terrorists. The people who have been presented as being responsible for this transshipment of weapons are only scapegoats who were chosen so that the EPS would not be further implicated.

We can also say that Gen. Humberto Ortega is the main one responsible for this transshipment of weapons. We clearly remember his words when he said he would ignite Central America and when he justified the FMLN's right to have missiles. He made those statements some months ago, and today his desire to ignite Central America and to guarantee lethal weapons to the FMLN for its war on the Salvadoran Government has been confirmed. He continues his warmongering policy on Central America, when all that Nicaraguans want is peace, harmony, and unity among the Central American peoples.

[Reporter] How do you explain the fact that the missiles were not seized until now, when the attacks occurred last year?

[Navarro] This shows that both the Nicaraguan Government and the Army were aware of the situation. In November, the Nicaraguan Government had already received reports from the Salvadoran Government about this transshipment of weapons. It was not made public, however, because the government did not want to affect the deputies' opinion regarding the reduction of the budget of war and death that the Defense Ministry requested. This again shows the public that some government officials have a direct understanding with Humberto Ortega and the Sandinist Army leadership to guarantee the Army's existence.

This will really affect the expectations for peace and stability in Nicaragua. What is even more serious, this is already affecting the objectives of peace and the fulfillment of the Esquipulas agreement in Central America. We are seeing that some officials of the Chamorro government do not really want the Nicaraguan Army to be reduced, which is what a poor country that desires peace and democracy needs. [end recording]

## FSLN Actions in Coalition Government Criticized

*PA0301021491 Managua BARRICADA in Spanish 26 Dec 90 p 3*

[Article by Rafael Solis Cerda]

[Text] It is undeniable that despite the criticism they have received, the transition agreements represent a big step toward a new phase for this agitated country, a step that could lead to true national reconciliation.

The "honeymoon," however, did not last long. The Sandinist National Liberation Front [FSLN] took advantage of government errors and pressured by, or at least tolerant of, the FNT [National Workers' Front], embarked on the July riots which, in my opinion, had a negative effect not only on the country, but also on Sandinism. The only positive consequence the riots possibly had was that the search for an agreement was intensified and the government publicly committed itself to that search as of that moment, especially since the agreement is limited to economic and social aspects.

The FSLN made another mistake by reacting the way it did to the government's call for an agreement, by refusing to participate in the agreement if conditions that were suitable for the Sandinists, but not for the agreement itself or for the country, were not met.

The government also made a mistake by yielding to the demands of the FSLN, thus turning it into the only interlocutor that could give legitimacy to whatever agreement could come out of the dialogue, and the government did this without asking for anything in return but the FSLN's participation in the dialogue and the probable signing of the agreements.

What is good for the FSLN is not necessarily good for the country.

The government's original economic plans lost their essence, the economic adjustment plan crumbled, the ambition to check inflation collapsed, and in the end, the FSLN secured its main objectives, especially the creation of agrarian commissions; the locking of public employees into their jobs; the suspension, for practical purposes, of decree 11-90 and the program of returning property; an ambiguous definition of privatization; and the ratification of everything done by the previous government until 25 February 1990.

Logically and as expected, the private sector did not sign these agreements. It could not stab itself in the back and could not bless the beginning of a "shared government" that would not take its interests into consideration.

A broad UNO [National Opposition Union] sector did not support the agreement. This, plus the accumulated dissatisfaction of the resistance, plus the covert and open support of the Catholic Church, produced the "mayors' revolt," the results of which we all know.

For the first time the FSLN acted intelligently and did not confront the rebels directly, but discreetly backed the government. This contributed to a peaceful solution of the problem and to the strengthening of this "shared government" to which we have referred.

In my opinion, a "shared government" does not necessarily have to be bad and should not be disavowed by the Sandinists. Instead, we should publicly support it and clearly explain it.

We are not talking about sharing responsibilities with the government at the level of ministries or directorates of autonomous agencies. We are not talking about a "secret pact" or a new "deal." We are not talking about viewing these agreements as being mutually beneficial for the two sides to the detriment of the country. It is not a matter of sharing a piece of the pie, watching to see which is the best piece, and fighting over who gets that piece.

It is a matter of being serious—especially for the FSLN—once and for all. It is a matter of responsibly and firmly accepting that we are going to abide by the agreements we signed, and better yet, by the spirit of these agreements.

For the FSLN, it is a matter of putting aside a double standard and of realizing that "what is good for the goose is good for the gander."

We cannot just take what is worthwhile to us from these agreements or interpret them to our advantage. We cannot say that what was meant in the agreements is something truly different from what was said in them.

We cannot keep demanding from the government without making demands of ourselves, our rank and file, our labor sectors, the FNT and, specifically, the ATC [Farm Workers Association] and the CST [Sandinist Workers Federation].

As FSLN members, we must assume this historic responsibility and talk clearly to workers. For example, we must tell them that the ATC demand for the government to deliver 500,000 manzanas of land is baseless. It would only bring chaos and anarchy to the country.

It is correct for the government to deliver to the workers and to other sectors the land seized by decrees 3 and 38. It must, however, return land to owners whose property was unjustly seized. We must tell them that already more than 200,000 manzanas of land were delivered during the last few months of the Sandinist government, aside from what was delivered as part of the agrarian reform. Now producers also have the right to get their land back to work it.

The CST must be told that it is correct to say, in many cases, that the workers are entitled to a share of the enterprises, but not to keep 100 percent of them, except perhaps in the case of those affected by decrees 3 and 38. It must be told that there are also enterprises that are being returned because they were unjustly seized.

This country is not going to progress just by delivering the enterprises to them. Nicaragua not only needs everyone's efforts—including those of businessmen—it needs the help of the international financial community, which will not deliver a single penny as long as this country remains unstable.

The country will not become stable with strikes, land and business seizures, forceful positions, pressure, and even blackmail on the part of the Sandinist labor organizations.

The FSLN must understand that in the negotiations for a concerted agreement, it was decided to return property to the owners in all cases if it was unjustly confiscated, and the FSLN must fulfill its commitment to respecting the decisions of the National Revision Commission.

The workers have to be told that during the critical times we are going through, the only option left to all of us—especially the workers, but all Nicaraguans without distinction—is to support this government in its efforts to rebuild the economy. It will do no good to hand the workers land or enterprises if there are no financial resources or materials with which to work.

The workers must also be told that if the government collapses, the FSLN is not going to be a viable option, because at this time it has no possibility of being an option, much less on short notice. The option would be those who you all know, or a civil war would once again become generalized throughout the country.

The FSLN cannot use only what is advantageous out of the concerted effort, while at the same time confronting the government with the return of properties and businesses, encouraging land or business takeovers, torpedoing the little that was left of the proposed Economic Adjustment Plan, encouraging strikes, and so on. At least the FSLN should respect the "social truce" agreed upon.

We are not saying that the FSLN is to become the "pro-government party" or that it is to renounce the principles it has brandished all this time. What we are saying is that the FSLN should basically assume its responsibilities toward the country and support the government in its main aspects, even though the FSLN may work in the opposition, criticize, and express is own ideas on all topics with which it does not agree.

Another thing, discussion of our own political future is barely starting, and in due course we will need to decide whether the positions held in 1979 are still valid, or if this is the time, as many Sandinists believe, to make in-depth changes to the party, bury old beliefs, seek new social and economic models, and be more in touch with the changes taking place around the world.

The stability of the country, not the party, depends to a great extent on the policies the FSLN adopts. No one believes the FNT, the CST, or the ATC—whatever autonomy they may now enjoy—are going to make their own decisions, regardless of what the FSLN decides. Besides, the FSLN cannot allow the ATC or the CST to make these decisions.

If the FSLN does allow them to make these decisions, not only will it lose credibility with the government, but with its own followers, and surely it will lose even more of what support it has left.

One of the best-known Sandinist deputies said some time ago that our revolution, which was similar to the French Revolution, went from a revolutionary regime to a "Bourbon restoration." There is something true in this comparison, but the comrade forgot to mention that between those periods France had Napoleon, which many may believe is what this country needs.

In times of crisis, states of emergency and strong governments are not just necessary, but even desirable; when the situation becomes unbearable, the people themselves even prefer them.

To my way of thinking, it is the FSLN's turn to speak, and whatever happens in this country's future will depend to a great extent on the FSLN's behavior.

If democracy is maintained, the least that will happen, unless the FSLN reconsiders its ideas and changes it

attitudes, is that the Nicaraguan people will prefer in the next elections, if the country's economic situation does not improve, the Aleman-Godoy [Arnoldo Aleman-Virgilio Godoy] (Liberal) or Bolanos-Arguello [Enrique Bolanos-Myriam Arguello] (Conservative) formulas to what the current government's progressive sector, allied to the Sandinists, could offer.

In this poor country, it will be our children, the sons of the bourgeois, but also the sons of the proletarians, who will hold the Sandinists accountable in the future for its current behavior.

### Contentions of Article Disputed

*PA0301022591 Managua BARRICADA in Spanish 27 Dec 90 p 3*

[Article by Carlos F. Chamorro B.]

[Text] Because of the mistaken impression that an article by Rafael "Payo" Solis carried in yesterday's issue of BARRICADA can create, and to enhance discussion that is necessary among Sandinists, I believe it is appropriate to comment on the contents of the article and refute some of its mistaken premises.

In his intense allegation, "Payo" virtually condemns Sandinism for the current instability that reigns in the country and blames it, in advance, for the emergence of a forceful "Napoleonic" solution to a greater burgeoning crisis. Those quite whimsical views are even more reckless because the other characters in this important national conflict—the government, revanchist sectors of the UNO [National Opposition Union], and particularly Cosep [Higher Council of Private Enterprise] businessmen—are absolved of all blame in these summary proceedings, whereas the Sandinists—the opposition—have no right to a defense.

From a unilateral analysis, we can only gather partial conclusions and similar unilateral and misleading conclusions. For that reason, the central idea of this article, that Sandinism must have strong and unambiguous commitment to the effort to stabilize the country, by keeping agreements and supporting the government on key issues, is valid solely as a general premise. That idea is insufficient, however, when presented as a one-way option, freeing the other side of obligations and responsibilities. To make matters worse, it denies the popular movement the legitimate right to struggle to defend its gains.

The sequence of mistakes that have led to that conclusion begins with the erroneous depiction of the July strike as a ill-intentioned rebellion. For "Payo," the only positive result is that it has forced the government to commit itself to the process of consensus, which to me is no mean feat.

In any case, it seems contradictory to censure the popular pressure exerted by Sandinist labor sectors to defend their socioeconomic gains, when one admits that the result was that it imposed a major change in the government's behavior in the search for national consensus, since otherwise this never would have happened. Worse yet, who knows how long the social polarization that resulted from the first erratic actions by the government would have continued. To the contrary, if the July strike and the tempering of subsequent popular struggles proved anything, it was that a separation does not necessarily exist between the interests of the people and the interests of the nation.

The second mistake lies in the view that the process of consensus, as a result of a Sandinist imposition, could not receive the blessings of the powerful Cosep gentlemen. What was "done away with" through consensus was in fact an economic program destined to impose very high sacrifice on the low-income sectors and, thus, instability on the entire country.

Conversely, the basic consensus to persuade the international community, the representatives of which have acknowledged the Sandinists' stabilizing contribution, to give special treatment to the country was achieved.

This last aspect is what Cosep and UNO have rejected, not because they were excluded from the national agreement, but because they are bent on accelerating a confrontation with Sandinism. Therefore, to endorse Cosep's actions, as is proposed, turns out to be not just alien to any legitimate concern for the country's stability, but also makes the discussion differ completely on the fate of Sandinism and the national interest. This constitutes nothing but playing into the hands of extremists.

The third mistake has to do with the much talked about "shared government" and the FSLN [Sandinist National Liberation Front] opposition policy. I believe that before hastily talking about a "shared government" of questionable viability for the country and Sandinism, we must analyze the existence of transition and consensus agreements, in light of the political commitment and the capabilities of all sides—not just the FSLN—to forge an effective national alliance.

The recent division in the National Assembly, which sparked the most serious national crisis since 25 April, revealed the difficulties faced by the government coalition in implementing vital aspects of the aforementioned agreements—such as respect for the Armed Forces as an institution. If we Sandinists cannot acknowledge that the principal threat to the nation's stability is the revanchist policy, I cannot imagine how we are going to reach a consensus on more complex issues.

Moreover, the essence of the FSLN's action, as an opposing force, cannot be to support a government, but rather to defend the revolution's gains and the people's interests. This in itself does not rule out agreeing on key issues with the government and other sectors for the nation's benefit. Even more important for the FSLN is not to limit its opposition to "criticize whatever it does not agree with"—within a policy of "top leadership"—thereby ignoring the contradictory interests of opposing

social forces in a situation of intense conflict. The political dismantling of the FSLN—for the sake of the nation's presumed stability—without a clear commitment on the part of Cosep and the revanchist groups, will, needless to say, lead to the revolution's political suicide.

Besides, one cannot demand that the Sandinist unions unilaterally comply with the agreement when the Cosep businessmen did not even sign the consensus agreement. Following "Payo's" train of thought, if what is sauce for the goose is sauce for the gander, the least that could be expected from the private sector is that it accept the rules of the game and add its contribution [blon] to the concerted effort.

Today's Sandinism, no longer in power, cannot, nor is it capable of, resolving social conflicts—labor, peasant, or community—by making use of the traditional power and command policy, because things are no longer run this way. The challenge consists of forging a strong leadership that can steer the people, thereby demonstrating that one can work for the benefit of the community, even if the power structures are not controlled. Above all, this action must be carried out among the rank and file without being pressured by the labor leadership. Maybe, only then, would the unwanted forceful "Napoleonic" solution—by any name—find a better organized community capable of defending democracy.

## Civic Movement Announces 13 Jan March

*PA0301010491 Managua Radio Catolica in Spanish 1130 GMT 2 Jan 91*

[Telephone interview with Deputy Humberto Castilla by unidentified Radio Catolica reporter in Managua—live]

[Excerpts] [Reporter] We are now establishing contact with Deputy Humberto Castilla. Doctor, we understand that the Let Us Save Democracy Civic Movement is organizing a march for 13 January. What can you tell us about this?

[Castilla] Good morning, Radio Catolica. Good morning, Nicaraguan people. On 28 December we held a meeting in Santa Lucia, Boaco Department—by the way, it is one of the loveliest towns in Nicaragua—because we are seeking to continue the projects started by the Let Us Save Democracy Civic Movement. Two important decisions were adopted at the meeting. The first one was to send a letter to Government Minister Engineer Carlos Hurtado, to thank him and praise his efforts to reorganize the police and [words indistinct], which has already been done.

The letter also notifies Minister Hurtado about the Nueva Guinea people's concern, and the alarm which prevails there, because persons and policemen who have been involved in crimes have yet to be punished and are freely walking the streets. [passage omitted]

We also decided to issue a communique inviting the Nicaraguan people to participate in the march being organized by the Let Us Save Democracy Civic Movement. I will use this opportunity to read the short, three-point communique:

The Executive Commission of the Let Us Save Democracy Civic Commission wishes to announce the following to the Nicaraguan people:

1. In a meeting held at the town of Santa Lucia on 22 December, it was decided to carry out a civic march on 13 January 1991 in the city of Managua.

2. The march will be called March for Peace and Democracy, and its goal is to commemorate another anniversary of Dr. Pedro Joaquin Chamorro's death and to celebrate the foundation of the Let Us Save Democracy Civic Movement at the national level. The civic movement is based on the same ideals that inspired the martyr of the people's freedom.

3. Given the above, all the Nicaraguan people are invited to participate in the civic march that will be carried out in the city of Managua on 13 January 1991. We will thus reassert that our 25 February vote is alive and that it continues in the people's hands to carry out a real change.

Issued in the city of Santa Lucia, Boaco Department, on 28 December 1990.
Executive Commission, Let Us Save Democracy Civic Movement.

Please let me know if you have any questions.

[Reporter] Thank you, Dr. Castilla, for your statements for our "El Despertar" newscast.

## Presidency Information Office To Become Ministry

*PA0301034191 Managua Radio Corporacion in Spanish 2300 GMT 2 Jan 91*

[Text] The Nicaraguan Presidency Press and Information Directorate, DIP, will be turned into the Presidency Information Ministry. This change is part of the upcoming presidential cabinet reorganization.

Luis Sanchez Sancho has been mentioned as the head of the aforementioned ministry. Sanchez would displace Danilo Lacayo (?who will become the) director of the National Television System of Nicaragua.

Sanchez Sancho was one of the negotiators of the notorious and almost unknown transition agreements with General Humberto Ortega. The agreements have been rejected by most Nicaraguans.

Sanchez Sancho is currently the vice president of the National Assembly. He occupies this post because he joined the legislative faction headed by Alfredo Cesar, who hopes to replace Miriam Arguello Morales as National Assembly president on 9 January.

## Panama

### CIA Said To Hold Power in Intelligence Unit

*PA0301043491 Panama City EL SIGLO in Spanish 2 Jan 91 p 4*

[Unattributed editorial: "The Palace of Captive and Overscrutinized Herons"]

[Text] As poet Ruben Miro portrayed them, they were "melancholic and captive herons" that passed the time walking in ceremonious gait while pecking away at the memory of their distant lagoon. That is what they once were, but since last February every corner of their palace [Presidential Palace], in whose Andalusian patio they spend their lives, is being observed, and an ear or eye penetrates the privacy of everything that is seen, heard, thought, or imagined.

These are the eyes and ears of the CIA. They are in disguise to give the impression they belong the palace's temporary tenant, while they are really there to work for and serve the Southern Command. This fact, which again makes us more dependent on U.S. soldiers, constitutes the real motive, perhaps the sole motive, for the secret manner in which the palace's tenant has tried to handle the affair.

There are offices like the Public Security and National Defense Council all over the globe, and all of them serve the same purpose of providing first-hand information to the ruling government. The difference is that in France the government and the current ruler are French, just as they are British in the United Kingdom, German in Germany, American in the United States, and Russian in Russia. Here the government and the temporary rulers, however, at least those who now hold "true power," are blond and speak English.

That is why they, those from outside, are the ones who pay for everything. In this way, the Comptroller General's Office, run in all the other areas by Ruben Dario Carles, does not record a single figure regarding how many state of the art computers have been installed, how much the staff that serves, reads, and processes the computers is paid, or where the data provided by this sophisticated espionage network goes.

This is so because it is an espionage office, like in all countries where counterpart offices operate in war and peacetime. In this way, the soldiers who have occupied the country since 20 December of 1989 have ensured they will reap the benefits of their costly investment, and, for this purpose, the screens that give shape and meaning to the data that may arrive at any hour of the day or night on the situation in Panama in all the spheres of its national life are located in the Southern Command.

As for the person reportedly heading that office, one does not have to delve deeply into his personality to realize that, from the CIA's standpoint, he is the ideal man for the job. Menalco Solis has been performing a double role for a long time. Before, he was on the side of General Manuel Antonio Noriega, whom the CIA under Bush allowed to play on both teams. During the previous regime, Solis held key positions in the national administrative structure. When that side fell from grace, Solis returned to his old tricks, and the many-sided U.S. agency used him for its purposes.

His measurements are exactly those required by the post, because he is an individual at the service of the CIA although he wears Panamanian shoes. His Panamanian nationality serves to make the world believe that the council was created by and for Panamanians. He is a great friend of the temporary tenant. Although this does not mean much, it is not a hindrance to Solis. Had someone not to his liking been put there, the tenant, who is a ferocious contender of Legislator Gloria Moreno de Lopez, would have gone into a rage.

This is why, in the face of this new attack on their dignity, the Panamanian people are aware of the climate of justified concern that exists in the Palace of Herons, the herons which were once merely captive, but are now overscrutinized by those who speak English.

### Asvat Describes Functions of Security Office

*PA0201233291 Panama City EL PANAMA AMERICA in Spanish 1 Jan 91 p 6-A*

[Article by National Police Director Ebrahim Asvat]

[Text] Many conclusions have come about following recent reports in U.S. newspapers concerning the formation of a National Security and Defense Council within the Presidency. This council is responsible for gathering information and keeping the president informed of possible threats to public security and the democratic constitutional order so that he can make the necessary political decisions to lead our country during his mandate.

As usual, such news has credibility and contributes to forming public opinion in Panama when it comes from the United States. There is no doubt that this entity has been formed, in February 1990 when Cabinet Decree 38 of 1990 was issued; it was confirmed by the president, the government and justice minister, the planning minister, and the foreign relations minister.

This same law establishes the creation of an executive secretariat that will work out of the Presidency. So, what is causing so much controversy? A lack of communication.

The country must be informed that there is a need for an organized entity, besides the police services, at the highest level, to warn the president of any threat to the Panamanian democratic order.

Up to now, the National Police have made such warnings when they receive verified information about actions against national security and individuals

opposed to our country following the path of peace and tranquility. We must admit that our country attracts international criminals who use Panama as a center for illegal activities due to its geographic location, monetary system, and emigration freedom through its major and poorly guarded borders. Everyone has heard of how Panama has been used as refuge for drug trafficking capos and a hub for their international operations, and as a center for money laundering and the trafficking of illegal goods. As Panamanians, we must defend ourselves against such potential threats, even if they escape our own national reality.

We considered it a correct decision to maintain this office separately from the National Police. The country, however, has the right to keep any institution of this nature from being handled without the necessary controls. Legal supervision is required to oversee any action so that the institution always stays within the framework of the law. In addition, the legislative branch has the right to know, through the public security commission that is yet to be established, the operations of this office, as well as of the National Police, the National Air Service, the National Maritime Service, the Institutional Protection Service, and the Judicial Technical Police.

Regrettably, and we repeat this, past experience in such areas has been traumatic and the distortion of the Panamanian intelligence apparatus has caused too many profound wounds.

No one wants the return of the torture chambers, the electric shocks, the hoods, the arrogance of informers, the illegal raids, and the confinement cells. We are, however, regrettably still confusing intelligence and information with torture and unlawful actions. That is why we must have the necessary controls and not allow these offices to be run with complete independence. We cannot let government officials go without having available the information needed to make the appropriate political decisions and without learning of threats that may arise against the Panamanian democratic system.

## Noriega, Others Indicted for Spadafora Murder

*PA0201193891 Panama City LA ESTRELLA DE PANAMA 29 Dec 90 pp 1, 8-A*

[Report by Claudio Herrera J.]

[Text] Former General Manuel A. Noriega, "personal data unknown," [as published] is one of the 24 people who have been indicted by the Third District Judge of Chiriqui for the murder of Hugo Spadafora.

Justice Carlos Lucas Lopez, president of the Supreme Court, held a news conference to announce the opening of the case of Hugo Spadafora, as well as that of minor Marco Rodriguez Justine and Carlos Efrain Baules.

In the case of Hugo Spadafora, the court findings, which are contained in 118 pages, start with the history of the investigation. They continue with events during the last hours of Spadafora's life, according to witnesses and defendants.

The document contains a forensic section, which analyzes in detail the medical evidence gathered in the investigation. It also contains the medical opinions of Costa Rican and Panamanian doctors on the cause of Spadafora's death.

The court applied Articles 2,001, and 2,002 of the Judicial Code, which allow the possibility of the same court trying cases related to, or connected to, the central case.

In this case, the court has included, by connection or relation, not only aspects more closely related to the murder, but also a series of events and actions intended to mislead the investigation, and in general to attain the impunity of the true perpetrators of the homicide.

The court has decreed a temporary stay of proceedings in favor of Raul Berbey Garcia, Eleuterio A. Cedeno Aguilar and Roberto Torres. It opens criminal proceedings against Sebastian Gonzalez Mendieta, alias Wachan; Omar Enrique Vega Miranda; Eliecer Ramos Chavarria; Mario Abel del Cid Gomez; Agustin Olmedo DeGracia, alias Piyuyo; and Luis Antonio Cordoba Morales, alias Papo.

The court also opens criminal proceedings against Adan Pitti Guerra; Julio Cesar Miranda, alias Munecon; Francisco Eliecer Gonzalez Bonilla, alias Bruce Lee or El Indio; Eliecer Rivera de Gracia; Manuel A. Noriega; Demetrio Rodriguez Gutierrez, alias Pale; and Jorge Antonio Villa Morales, alias Bruja.

It also decrees the filing of criminal charges against Julio Gilberto Jurado Miranda, Ricado Jurado de la Espriella, Alex Hector Munoz Guerra, and Pedro A. Espinosa Piti for allegedly being accessories to the crime, as stated in paragraph 4, Chapter II of the Criminal Code.

The court decrees the opening of criminal proceedings for perjury, as stated in Paragraph 4, Chapter XI of Book II of the Criminal Code, against German Gonzalez Pitti, Carlos Dario Espinosa, Roberto Diaz Herrera, Edgardo Jaramillo Hurtado, Julio Ow Young, and Nivaldo Madrinan Aponte (former director general of the National Department of Investigations (DENI).

### The Carlos Efrain Guzman Baules Case

Meanwhile, the Second Superior Court has opened criminal proceedings against Francisco Becerra for the murder of civil militant Carlos Efrain Guzman Baules, killed in the area of the San Miguelito overpass. The indictment includes Martin Alberto Flores R., Martin Caicedo Amado, America Cordoba de Johnson, and Armando Palacios Gondola, former lieutenant colonel in the Defense Forces.

In this case, a temporary stay is decreed in favor of Domingo Omar Ayola, Ramiro Isaac Gonzalez Chavez, Rafael Horacio Mejia Rodriguez, and Luis Carlos Urrunaga, alias Toto.

Lawyer Enrique Bernabe Perez is defense counsel for Martin A. Flores and Francisco Becerra Padilla. Lawyer Adolfo Montero is defense counsel for America Cordoba de Johnson, and Aristides Manuel Hassan is defense counsel for Armando Palacios Gondola.

The public defender will be Martin Caicedo Amado's defense counsel. This trial will open in due time. Bail set for these defendants is revoked and their arrest has been ordered.

Supreme Court Justice Lucas Lopez said that there are no grounds to indict former Legislators Luis Gomez, who is in asylum at the Cuban Embassy, and Balbina de Perinan. She was in the hospital when the murder occurred.

The Second Superior Court has opened criminal proceedings against Cancio Marcelo Ciacci Tason for the murder of minor Marco A. Rodriguez Justine.

Didimo Abrego Gonzalez, Elvin Anibal Guerra, Javier Efrain Gomez Rivera, Gary Alberto Galvez Perez, and Alcides A. Carrillo Rodriguez are included in these proceedings. A temporary stay is decreed in favor of German Castillo.

Preventive custody of the defendants remains in effect. All those inovled have granted power of attorney to different lawyers. It is decreed that none of the defendants has the right to bail.

The case will be opened in due time, and the Second Superior Court will fix the date for the trial.

## Ford Letter to Endara on Status of Aid Talks

*PA0101193891 Panama City EL PANAMA AMERICA in Spanish 27 Dec 90 p 18-A*

[Letter from Second Vice President Guillermo Ford to President Guillermo Endara Galimany on the status of negotiations with international financial institutions dated 18 December 1990]

[Text] Panama City, 18 December 1990.
Your Excellency,
Guillermo Endara Galimany,
President of the Republic

Dear Mr. President: I believe it is my duty to keep you informed of the status of the negotiations with the international financial institutions, as the delay in obtaining a final agreement with said institutions is causing serious harm to the nation. Besides this, access to future credits, vital in implementing investment programs, particularly in the social sector—which requires soft loans over the long term—can only be obtained from those sources.

In addition, direct foreign investment projects that our economy needs to grow would be affected without a national economic program. This program has been accepted by the international financial institutions as capable of moving our economy from its current standstill to a sustained growth.

### I. State of the Negotiations

Listed below are some of the outstanding aspects regarding the current status of negotiations with the international financial institutions.

1. Execution of 1990 budget. The institutions have regarded as very positive our drawing up of two budgets as well as reorganizing the public finances.

The investment program's budget implementation has been very slow this year and this has affected economic recovery. Above all, social programs require greater investment volume on short term.

The investment process could be accelerated if the controls on public spending were reduced.

We believe that reforms in public administration aimed at greater efficiency should be stepped up as well by:

—continuing to reduce normal expenses.
—quickening the pace of investment expenditures.

Mippe [Planning and Economic Policy Ministry] has begun negotiations to attract international technical assistance with the goal being to strengthen the government's ability to undertake modern administrative tasks in a sustained fashion.

A change must be made in public spending patterns through a program that would gradually increase savings in the public sector. This issue is top priority. The increased savings would lead to an increase in the expenditures available for programs in sectors such as health, education, housing, and public works. In these sectors there is such a great need for investment that meeting the needs of the Panamanian people is extremely difficult.

The change in public spending patterns is particularly important for the public service companies where the lack of maintenance and the inability to expand will seriously impair economic growth.

2. Economic Modernization Strategy

The approval of the economic strategy and its guidelines represent a firm step because the international financial institutions have recognized the government's ability to present its own program, which has been described as bold and proper.

In this regard, I must advise your excellency that these institutions believe that some aspects of these guidelines check and slow down the process of change; examples of two aspects are the issue of tariff protection and quantitative import restrictions.

Throughout this year all Latin American countries, especially neighboring countries, have quickly implemented important commercial reforms that have made it more difficult for our government to maintain positions that would bring about changes within a period of four years or more.

Representatives of those same governments, along with representatives of countries, such as those with centrally planned economies, which are making huge efforts to introduce elements of a market economy in their own economies, are making decisions on these financial institutions' board of directors. I do not believe that they would approve of any superficial reforms in a program for Panama.

Two sectors have the most important restrictions: certain products from the lead-and-cattle sector and from the construction material sector.

This situation causes high prices for products that require input from these sectors and, this in turn directly affects the basic basket of products for the broadest segment of our population and strongly restricts the economy's expasion potential.

It is estimated that our economy needs to grow by a minimum rate of eight percent in the next few years to gradually absorb the unemployed. Any approach that restricts our domestic market will in no way bring us closer to attaining our goal and as long as distortions persist in the productive structure, we will not receive the investments that we need.

As we have told these international financial institutions, however, our guidelines are the result of a sustained dialogue with economic groups, and we believe that we must continue to implement them as they stand.

In exchange for this "weakness," the World Bank would reportedly be willing to accept bolder reforms in the public sector.

Despite their recommendations, I have not accepted their idea of dismissals, but would rather reduce the government workforce by means of voluntary programs involving economic compensation and/or the creation of small businesses, as explained in the attached letter.

One of our government's greatest challenges is expanding the private sector by transferring functions that the public sector need not necessarily carry out.

We must promote this change by helping our public employees become businessmen!

In sum, the aim is to strike a just equilibrium between reforms in the public and private sectors of our economy. In our opinion, neither one should have privileges at the expense of the other; quite the contrary, adjustments must be made in an equitable fashion, but at a faster pace than we have implemented them so far.

The delay in the implementation of guidelines by the government sectors that have been called on to execute different actions worries this ministry and places us in a difficult situation before these international financial institutions.

3. Requirements for reaching an agreement. To be able to advance and in order to achieve a final agreement with the financial institutions, the minimal requirements are as follows:

A. To deepen the analysis of the Social Security system in order to guarantee the financial feasability of the Social Security Fund.

The cabinet council will have to approve a draft bill for the required legal modifications.

I believe that such reforms must be seriously considered—as done by that institution's director—and should also be widely publicized before being proposed to the legislative branch.

This delicate topic requires a clear and thorough presentation to the Panamanian people so that they will understand the financial imbalances in the old age, handicapped, and health programs. Such a presentation should also make Panamanians understand the dangers involved in allowing the situation to remain as it is.

B. The cabinet council must approve the draft bill for tax reform and send it to the Legislative Assembly.

The finance minister has made important progress in defining the different aspects that need to be reformed.

C. Regarding commercial reform, the commerce and industry minister recently presented two cabinet decrees regarding the industrial protection import taxes that were approved.

The application of a quota elimination and price control program, as well as a program to review other import tariffs are still pending for the 1991-1994 period. These programs are the responsibility of the Agricultural Development Ministry and the Finance Ministry and will have to be approved by the cabinet council.

D. Reforms to the public service enterprises.

For the central government to be able to sign the contract plans that define the goals to make the public service enterprises more efficient, basic decisions, which in some cases require that the standing legal framework be reviewed, must be made.

Outstanding progress has been made in the cases of the National Institute of Telecommunications, the Institute of Hydraulic Resources and Electrification, and the National Water and Sanitation Institute regarding the drafting of the contract plan, which will require the cabinet council's approval.

Regarding the National Port Authority, the government will have to discuss the future scenarios visualized for

the country in relation to ports and make decisions based on this. These decisions are needed to prepare the institutional goals that will be compatible with the chosen scenario.

As of January, Mippe will start organizing the administrative group that will regulate the public service enterprises and ensure the application of the contract plans under the supervision of a committee within the ministry.

E. Plan for the voluntary retirement with financial incentives for public officials.

It is known that there is an excess number of personnel in the public enterprises, as well as throughout the central government. The subsequent reduction in the current spending implies a necessary reduction in that sector.

All the aforementioned aspects must be finished by the first week of January, at the latest. This would allow this ministry to enter the final stage of evaluations with the international financial institutions and conclude the negotiations stage in March.

If the decision process is stopped, our country will not be able to request a mission from the World Bank and the IDB to note the progress made in order to negotiate a disbursement program later. This would send a signal to the international community that procedures were blocked. Please note that the agreement with the Paris Club is conditioned to the conclusion of the negotiations.

Attached you will find a list of the relevant points that was presented to the National Economic Council by the World Bank-IDB mission.

**II. The effects of the delay**

The following are the most serious effects of a delay in concluding the negotiations with the international financial institutions:

A. Financial Effects

Panama normalized its payments to the international financial institutions in April of this year, and has paid up until now approximately 240 million balboas.

We should have paid 80 million during the first quarter of 1990, but, with the authorization of the cabinet council, we paid only 30 million balboas.

The arrears embody special drawing rights and for this reason, dollar value fluctuations (currency devaluations) have made the 50 million balboa overdue debt of the first quarter of 1990 increase to 60 million.

The additional cost, which is now 10 million balboas, will continue increasing as the payments are postponed and the dollar devaluations process goes on.

Until 31 December 1989, the arrears with the international financial institutions amounted to 540 million balboas. Currency value fluctuations have increased that balance to 610 million balboas, an additional 70 million balboa toll so far this year.

B. The Support Group [not further identified]

Until the international financial institutions and the World Bank, in particular, decide to approve a program for Panama and issue a commitment letter in favor of the United States, which has guaranteed that it will grant us a 150 million stopgap loan, we will not be able to give final shape to the support group because:

—countries do not disburse cash in the absence of a program with the international financial institutions. Postponing the program implies the danger of some countries withdrawing, because of varying circumstances, from the support group, which we want to disburse a minimum of 130 million balboas, considering that the original 540 million balboa debt has grown and continues growing.

—The United States will not disburse the 130 million balboas which are part of the U.S. donation package because the condition on this donation is that it be used exclusively to resolve the problem of being in arrears with the payments to international financial institutions.

During a private conversation with representatives of the international financial institutions, we deduced that the delay in reaching a definite agreement for signing the Mutual Legal Assistance Treaty with the United States does not allow us to ask that country to exert a little pressure on the international financial institutions so that they make their position more flexible regarding speeding up both the overdue payments and the implementation of new programs.

I beg His Excellency, the president, to understand that I am in no way recommending that our country sign a treaty harmful to the interests of Panama. I know perfectly well that this delicate matter is in the hands of His Excellency, the foreign relations minister.

Also, I do not want to give the impression that I am recommending that the negotiations process be conducted in haste to secure a particular economic objective. I just believe it is my obligation to inform the president about what the delay in reaching an agreement of this nature implies.

**III. Conclusions**

At the 13 December meeting of the National Economic Council, I firmly presented to the representatives of the World Bank, the IDB, and the IMF, the following thesis:

1. It is not fair that the delay experienced until now in implementing several agreements reached with the international financial institutions is delaying the possible issuance of a letter of commitment by the World Bank. This letter would allow us to cancel, as soon as possible, the previously mentioned overdue payments.

2. In our opinion, the problem should be divided into two aspects:

a. To establish reasonable conditions that the national government can meet, to allow the World Bank to issue the letter of commitment, request a stop-gap loan from the United States, and immediately proceed to normalize our overdue payments with the international financial institutions.

b. That to obtain future credits, our government would be committed to comply with the other aspects already presented in the said letter.

These two aspects would allow us to immediately stop the unjustifiable drain of additional funds, so badly needed by our country, and prevent what is happening now because of currency exchange problems.

I take this opportunity to reiterate to His Excellency, the president of the Republic, that it is necessary that we grant the highest priority to this delicate problem. Otherwise, we will not have access to new credits needed for country's future development, and a dramatic accumulation of the overdue debt with the international financial institutions would follow.

Until 31 December 1990, this debt, plus the payments corresponding to this fiscal period, amounted to:

Balance due as of 31 December 1990: approximately $610 million.

Amount due for the first three months of 1991: approximately $60 million.

Payments made during 1990: approximately $260 million.

Total: approximately $930 million.

To this amount we must add payments due during fiscal year 1991, which are approxiamtely $240 million. All these efforts will have been in vain if we do not normalize our relations with the international financial institutions immediately. It would be unjustifiable on our part not to grant this topic the necessary importance. Otherwise, we would be causing additional harm to our already battered fiscal situation.

Because of this situation, and with all due respect, I hereby recommend that His Excellency debate this topic thoroughly at a cabinet meeting dedicated exclusively to finding speedy solutions to this situation.

Respectfully, your humble servant:

Guillermo B. Ford, minister.

Attach: Letter DM-N-13160-90 Memo World Bank-IDB [Inter-American Development Bank]

## PRD on Political Situation, Party Actions

*PA0201200191 Panama City EL PERIODICO in Spanish 26 Dec 90 p 14*

[Paid advertisement issued by the Democratic Revolutionary Party (PRD) dated in Panama City on 15 December]

[Text] The national leaders of the Democratic Revolutionary Party held a meeting on 15 December to discuss the following two topics: 1. The country's political situation. 2. The reorganization of the PRD leadership structure.

The meeting's participants reached the following conclusions regarding the country's political situation:

1. The differences between national interests and those of U.S. imperialism continue to be Panamanian society's main problem. The struggle to rescue Panama's sovereignty and independence and actions to perfect our national identity are immediate tasks. The forces opposing the attainment of these national goals have been and continue to be the United States and the native oligarchy that carries out its imperialist plans in Panama.

2. The regime, which has been in power for the past 12 months, has been implementing an antinational economic policy that has been imposed by the IMF and the World Bank. These policies do away with such important social achievements as the labor law, the 13th-month payment, the health centralization programs, and other people's benefits that were offered during the Torrijist period. The regime has fired more than 15,000 government workers. It recently approved the law No. 25 that destroys the union movement and immediately proceeded to fire more than 400 labor leaders.

3. The Panamanian people's struggle against their domestic and foreign enemies will be a long one. All the Panamanian democrataic, patriotic, and nationalistic forces must have a joint strategy and a strategy that will enable them to act in a united manner and to prepare our people for the struggle.

4. The regime's so-called democratization process is characterized by the political persecution of the political opposition and the union movement. The regime has used legal terrorism to carry out its persecution. This mechanism enables it to legally justify all kinds of illegal actions. Human rights violations have been constant during the past 11 months. There are political prisoners in jails who do not have any charges against them and have not been given legal guarantees.

The 1954 Caracas Convention on diplomatic asylum has been flagrantly violated. There are political opposition members in embassies, and the Panamanian Government refuses to give them safe conducts to leave the country, despite the fact that the receiving countries have described and received them as political refugees.

The government's conduct has made the Panamanian Constitution and the laws worthless. The regime proclaims that it is legitimate but, in practice, it tramples all the laws. The regime and its legitimacy have been questioned since the regime was installed. The same holds true for the legal and legislative branches. Their basis of power is clearly illegitimate.

5. The government has been incapable of creating policies to ensure our security and defend our national integrity. Thus, the regime has organized a whistle-and-stick police corps that has no authority or instruments to carry out its constitutional responsibility to "safeguard the life, honor, and goods of all Panamanians." In what the regime has called its policy to abolish militarism, the regime submissively tolerates the U.S. Army's abuses. The latter are the true gendarmes of the regime that was installed by the invaders.

6. The regime irresponsibly requested the support of the Southern Command Army soldiers stationed on U.S. military bases to repress the Panamanian people. This action violates the Torrijos-Carter Treaties and goes against the principles of self-determination and nonintervention that are stipulated in the charters of the United Nations and the Organization of American States.

The regime shamelessly asked for the U.S. Army's intervention to stifle the actions of a group of policemen who rebelled against the regime's policy of persecution, humiliation, and oppression.

7. The PRD rejects President Bush's statements in Caracas when he said that "the United States will remain in Panama as long as it is necessary to consolidate democracy." These statements are unacceptable as they virtually turn Panama into a colony of the United States with the approval of a government that has not had the sovereign will to reject the U.S. Government's neocolonialist attempts.

**The PRD's Role.**

1. The PRD's main effort should be to maintain the party's unity regarding concrete objectives and programs in a Torrijist framework, to perfect national sovereignty and identity, and to defend the people's achievements.

2. The party's task will include, among other things, the unification of nationalist and Torrijist forces, consolidating strategic alliances to strengthen the struggle for national liberation.

3. The PRD will start a determined and unwavering offensive to obtain the freedom of all political prisoners, as well as the vindication of the Dignity Battalions and the Codepadis [Committees For the Defense Of The Fatherland and Dignity] and all those who fought for the defense of the fatherland against U.S. aggression.

4. The PRD has the inescapable commitment to support the labor and other mass and pressure groups against repression by the puppet government.

5. The PRD will denounce at all national and international forums the constant U.S. intervention in matters pertaining to the Torrijos-Carter Treaties.

6. The PRD will present, as soon as posible, a basic document of goals and strategies to unite all the forces and to establish its course.

7. The participation by PRD candidates in the partial January 1991 elections is in line with the party's decision to use all the legal forms of struggle to channel the people's discontent, condemnation, and rejection of the government's outrages, and in no way means that we endorse the puppet government.

The PRD denounces that these elections will be held in a framework of partiality and that they are antidemocratic, without guarantees of honesty or impartiality, in a country invaded and occupied by foreign forces and having political prisoners.

We also denounce that the make-up of the Electoral Board with people belonging to the government political alliance ADOC [Civilist Democatric Opposition Alliance] does not gurantee the impartiality and honesty befitting an institution responsible for the election's purity.

We, in the opposition, demand the appointment of an impartial Electoral Board, just as it was demanded in their turn, by those who are now in power.

We hereby point out that the media are not open to the opposition and that they obey the interests of their owners. The PRD demands the opening of, and free access to, the media as a guarantee of the exercise of freedom of expression.

We hereby denounce to the OAS Commission on Human Rights, to the Socialist Democratic International (IS), and to the COPPAL [Permanent Conference of Latin American Political Parties] that the regime is preparing an electoral fraud. We ask these and other international organizations to oversee the coming elections.

**20 December 1990**

The PRD on this date will carry out a mass rally to reject and condemn the invasion and the subsequent U.S. military intervention on 4 and 5 December, calling on all patriotic forces to ensure mass participation.

The PRD declares 20 December Day of National Mourning and recongnizes as heroes of the fatherland those who gave their lives in defense of the nation.

The PRD will struggle to find out the location of all the mass graves and to estsablish the real number of victims of the criminal 20 December invasion. We declare our solidarity with the just demands of the residents of

Chorrillo, victims of the brutal military invasion by the U.S. Army, and we fully support their claims for indemnification.

Panama, 15 December 1990. Paid Advertisement

### Union Leaders Dismissed From Public Works Office

*PA0201174191 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Dec 90 p 1*

[Report by James Aparicio]

[Text] A spokesman from the National Coordinating Board for the Right to Life reported that approximately 26 union leaders of the Public Works Ministry (MOP) were fired on 27 December despite a "truce" called by the workers and the mediation announced by Monsignor Marcos G. McGrath.

Mario Istaurin from the coordinating board said that some workers were fired from the Housing Ministry (MIVI) as well, but he did not say how many.

Two weeks ago parliament approved Law No. 55, which allows the government to indiscriminately fire officials accused of participating in a rebellious plan against President Guillermo Endara's Government.

On 24 December, the workers suspended the hunger strike being carried out by five workers and denounced the law before the Supreme Court, calling it "repressive and fascist."

Instaurin [name as published] announced that the leaders of union associations in ports, railroads, IDAAN [National Water and Sanitation Institute], IRHE [Institute of Hydraulic Resources and Electrification], and Intel [National Institute of Telecommunications] are fired.

Approximately 13,000 public employees have been fired over the last 12 months, including 500 union and associations leaders of state enterprises.

For the next few weeks, Instaurin announced a national forum regarding the need for a political concerted effort in the country and did not dismiss new protests by the workers.

### New Labor Group Backs Democracy, Gives Demands

*PA0301035491 Panama City LA PRENSA in Spanish 28 Dec 90 p 2A*

[Text] The General Central Organization of Panamanian Workers, CGTP, has reaffirmed its support for and defense of democracy and its total opposition to any coup d'etat or change of government not brought about by elections.

The CGTP, which emerged as a central organization of democratic, autonomous, and independent workers, held a meeting on 16-18 December, with the participation of 122 delegates who represented all labor groups and sectors.

In a manifesto signed by its secretary general, Mariano Mena, as well as by Jose Antonio Simiti, Osvaldo de la Guardia, Luis Leon, Jorge Luis Castillo, and Samuel Rivera, among others, the CGTP indicated that it would struggle for a strong and dynamic state that can guarantee national sovereignty.

The document stressed that there is a grave economic and social crisis as a result of the dictatorship's economic policies and the selfishness and ambition of the business sector, which is trying to take advantage of the crisis to become richer without taking into consideration the workers' needs.

In addition, the CGTP noted that there is a campaign to discredit the labor movement so that there will be no opposition to economic policies. The CGTP urged the national government to convene a great national dialogue with the participation of the executive and legislative branches, the business sector, political parties, the church, social organizations, civic and cultural institutions, and labor organizations and confederations.

The CGTP also demanded the payment of the 13th month bonus; the abrogation of Law 13, which cancels collective negotiations, and Law 25; and the elimination of the war laws established by the dictatorship that are still in effect and being applied.

In addition, the CGTP demanded respect for labor rights, collective contracts, and the immunity of labor leaders; the approval of an administrative career law; renewal and reorganization of the Social Security law; and nonpayment of the foreign debt, among other things.

## Argentina

### Armed Forces Prosecutor 'Removed' From Post

*PY0301115291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1020 GMT 3 Jan 91*

[Text] Buenos Aires, 3 Jan (NA)—Defense Minister Humberto Romero announced today that the Armed Forces prosecutor, General Carlos Dominguez, Auditors Department, "was removed [ceso] from his post" as of 31 December. Dominguez had asked for the death penalty for Colonel Mohamed Ali Seineldin, retired, and other leaders of the 3 December uprising.

The announcement that Dominguez was removed was made after Colonel Felix Isla Rodriguez, Armed Forces Supreme Council spokesman, stated yesterday that Dominguez would remain in his post.

### Cavallo on Citizens' Possible Evacuation From Gulf

*PY0201203091 Buenos Aires TELAM in Spanish 1841 GMT 2 Jan 91*

[Text] Buenos Aires, 2 Jan (TELAM)—Foreign Minister Domingo Cavallo has confirmed that the Argentine Government has released an official communique recommending that Argentine nationals who might be planning to travel to the Persian Gulf area abstain from doing so because of the risk of war in the region.

Cavallo said the Foreign Ministry has a plane ready to repatriate the more than 100 Argentine citizens living in the area. He added that the communique was issued "because of the risk of war beginning 15 January," given the UN Security Council's authorization to forces deployed in the area.

Cavallo said on the radio that the Foreign Ministry has "everything ready" to repatriate all Argentine citizens in the area. "We have a plane ready to leave as soon as we give the order, but that will only happen if a conflict breaks out," Cavallo said.

Cavallo said the Foreign Ministry contacted all Argentine citizens in the various countries in the region and noted that "they are keeping in touch with Argentine diplomatic officials so they will be able to leave the area if necessary."

The minister said there are some 100 Argentine citizens still in Persian Gulf countries and that those who were residing in Iraq and Kuwait "have already been evacuated."

Cavallo concluded by saying that European countries released an "identical" communique and that similar instructions were given "to the citizens of most nations in order to better organize an eventual evacuation."

### Anniversary of UK 'Occupation' of Falklands Noted

*PY0301024691 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2151 GMT 2 Jan 91*

[Text] Buenos Aires, 2 Jan (NA)—In view of the 158th anniversary of "the illegal British occupation" of the archipelago tomorrow, the government today reaffirmed Argentina's sovereignty over the Malvinas, South Georgia, and South Sandwich Islands.

In a communique released through the Argentine Foreign Ministry, the government reiterated its "firm desire to recover the exercise of its sovereign rights through negotiations that will lead to a just and definitive solution to this territorial dispute."

"The government is convinced that the current dialogue with the UK will contribute to achieving that objective in the future," the communique states. It also expresses its "continuing willingness to safeguard the interests of the inhabitants of the islands."

"On the occasion of the 158th anniversary of the illegal British occupation of the Malvinas Islands, the Argentine people and government once again reaffirm Argentina's sovereign rights over the Malvinas, South Georgia, and South Sandwich Islands and the territorial sea around them," the communique adds.

## Bolivia

### * Economic Growth Below 2.5 Percent in 1990

*91SM0113C La Paz PRESENCIA in Spanish 16 Nov 90 p 6*

[Text] The main sectors of the economy, except hydrocarbons and electric power, grew more slowly during the first half of 1990 than in the same period last year. The GDP [gross domestic product] could be up less than 2.5 percent this year.

According to the analysis by the Moreno Munoz-Price Waterhouse consulting firm that appears in the bulletin "The Economy for Executives," the decline in the farm sector was greater in the first half of 1990 than last year.

As can be seen in the table below, mining posted slower growth this year than in 1989. The same goes for oil refining and industry.

The sectors that performed better in the first half of this year than in 1989 were hydrocarbons, electric power, and construction, which together account for 9.75 percent of the total GDP.

The analysts clarify that "regardless of how hard the government tries to boost public investment in the remaining months of 1990, economic growth will likely not reach the goal of three percent that had been promised to the IMF."

After recalling that public investment of about $333 million last year helped post a GDP increase of 2.8

percent, they indicate that this year government investment will barely reach $340 million.

They say that "well into the third quarter of the year the Bolivian economy shows no signs of having entered the recovery phase. As we move towards the end of 1990, the available data corroborate the hypothesis that growth will not reach the three percent that was estimated at the most recent revision of the target and could even fall below 2.5 percent."

The bulletin indicates that in spite of this evidence official optimism about the prospects for the immediate future has not waned. On the contrary, it has been bolstered by the favorable judgment that the IMF has passed on Bolivia's macroeconomic situation.

Nevertheless, the report adds, the high marks that the economic model has gotten in international circles contrast with the mounting concern that can be detected in the country's labor sectors and with the skepticism that specialized analysts are displaying.

In conclusion, the bulletin indicates that domestic criticism will no doubt intensify now that the National Institute of Statistics has officially confirmed that prices rose sharply in October. The trend had been repeatedly emphasized by union organizations and editorial writers in the national press. With this increase in the consumer price index, cumulative inflation as of the 10th month of the year has exceeded the 12 percent target that the administration set for 1990, the analysis concludes.

**Sector Production (first-half growth rate from the same period the year before, in percentages)**

| Sector | 1989 | 1990 | Share of 1989 GDP |
|---|---|---|---|
| Agriculture | -2.52 | -3.10 | 16.86 |
| Hydrocarbons | 1.37 | 2.43 | 6.35 |
| Mining | 32.57 | 16.77 | 8.08 |
| Oil refining | 7.12 | 2.29 | 1.40 |
| Industry | 2.85 | 0.30 | 11.62 |
| Electric power | 5.51 | 7.22 | 0.68 |
| Construction | 6.46 | 7.00 | 2.72 |

Source: Moreno Munoz-Price Waterhouse, based on Central Bank and National Institute of Statistics data

## Brazil

### * October Trade Performance Worst Since 1987

*91SM0128A Sao Paulo VEJA in Portuguese 28 Nov 90 pp 74-75*

[First paragraph is VEJA introduction]

[Text] Foreign trade is putting in its worst performance thanks to the dollar and the lack of credit.

For years the Brazilian Government has been reporting its trade balance figures with pride. Last week, it revealed a tiny sum reflecting the worst monthly result since March 1987. The difference between exports and imports left the country with $223 million in its cashbox. The figure is still written in black, but the color has paled in comparison with the historical monthly average of $1.2 billion in Brazil's trade balance from 1987 until now. That result does not indicate that some kind of disaster is hiding around the corner. Even if the country did not pocket a single penny in November or December, it would still end the year with a very reasonable profit of $9.5 billion. The danger which has become apparent is that the government has floundered in the area of foreign trade, is allowing the country to lose money, and may become involved in a collision with truth next year. October was merely an omen.

As it always does when it talks about weak figures, Minister Zelia Cardoso de Mello's team filled the blackboard with extraordinary explanations for the chicken feed produced by the trade balance. There was a tedious list of reasons. Thanks to Iraq, Brazil paid twice as much for petroleum as it would have in normal times. The wheat harvest failed, and the country spent more on imports. The international price of cacao and soybeans fell, with the result that exports of those products did not earn as much as they should have. The stevedores in Santos and the port of Vitoria in Espirito Santo went on strike, did not load ships, and the country lost another bundle of dollars. As was to be expected, the decrease in customs restrictions—a measure considered necessary by all the experts in order to reform the country—also played a part.

**Bits of Profit:** October was in fact a very bad month. That is part of the explanation for the trade balance shock, and it is the official story. The government had practically nothing to say about the other part. Exports have fallen because businessmen are refraining from exporting. In the wake of that decline, thousands of workers have lost their jobs. Brasilia is to blame for that part of the problem. To control inflation, the price of the dollar has been kept too low for all these months. When the dollar is cheap, the exporter earns less. And since his costs increase along with inflation, he either keeps adjusting the dollar price of his export goods throughout the month and loses customers or keeps his customers

and steadily loses bits of his profits in cruzeiros. Sometimes so little is left over that the businessman simply stops shipping his products. Claudio Adilson Goncales, former special adviser to the Ministry of Finance in the Sarney administration and now a business consultant in Sao Paulo, says: "The government has played with the trade balance. It has permitted such a lag in the exchange rate that many firms have stopped seeking contracts on the foreign market."

In 1989, Fiat, one of the country's biggest exporters, sold an average of 12,000 automobiles per month—60 percent of its production—on the foreign market. In September of this year, it shipped only 4,500 automobiles. The firm's policy now is to export only 25 percent of what it produces. "We had to do it because the international market has shrunk and because of the lag in the price of the dollar," says Pacifico Paoli, superintendent of the assembly plant. One Fiat executive says: "We raised the dollar price of our cars to compensate for production costs in cruzeiros and wound up losing market in Europe."

**Exact Science:** What happened to the trade balance in October had all the earmarks of a foreign exchange crisis—an economic dilemma that no export businessman or government expert wants to see under any circumstances. It is a situation in which exports stop, and the country begins to use its dollar reserves to import basic commodities such as petroleum and raw materials. In the opinion of many businessmen, that bottleneck was about to occur. Sao Paulo businessman Laerte Setubal Filho, an adviser to the Cofap [expansion unknown] Trading Company, one of the country's largest export firms, said last week: "The disastrous balance in October was foreseeable, and we had been warning the government that it was going to happen. The problem is that the government views the economy through a rearview mirror, whereas we look through the windshield." Since May, Deputy Antonio Delfim Netto had been pointing to the danger of holding down the price of the dollar, saying that it would cancel the profits of the exporters and threaten the survival of many of them. Last week, with the drop in Brazilian sales abroad, the former minister was intrigued by the power of the economic bureaucracy in Brasilia to cling to the lag in the exchange rate as a means of cooling down inflation with no regard for any of the collateral effects. "Economics is not an exact science like chemistry. It has a varied menu of formulas with differing costs, and they cannot be applied as though they were infallible," says Delfim. "What is the source of that power which allows someone to persist in implementing an erroneous measure, as happened in the case of the exchange rate?"

In Brasilia, government experts such as Joao Maia, executive secretary of the Ministry of Economy, claimed that there was no threat whatever to the trade balance, even though it has almost hit bottom. The government itself took pains during the week to protect the next batch of figures. It adopted a measure showing extreme good sense: it authorized the BNDES [National Bank for Economic and Social Development] to open a $1.5-billion line of credit to finance exports of machinery and equipment. Until last year, the Bank of Brazil had financed exports requiring large investments on the part of the manufacturer. That program was demolished. Result: The manufacturers of cranes, industrial boilers, and other heavy equipment became dependent on the good will of the private banks and paid market rates of interest. **Negligence:** Businessmen in the export sector always complain about the lag in the dollar rate or the lack of financing. It is a ritual that often deserves suspicion. But this time they are right. In Japan and the United States, there are powerful banks which are linked to their governments and which abundantly finance exports. When private banks in Great Britain and France finance an exporter, they get free insurance from the government. "The developed countries finance their exports heavily. Brazil, which is very dependent on exports, has neglected to do so," says Laerte Setubal Filho. Over the past few weeks, the government has relaxed its pressure on the dollar, which rose by 10 percent last week. Even so, the market says there is still a lag of 20 percent or more. Laymen have so far remained aloof from these technical perorations concerning foreign exchange rates, but even they can discover, if they want to, that the cruzeiro is overvalued. "A ticket from Recife to Sao Paulo, which is paid for in cruzeiros, costs more than a ticket from Recife to Buenos Aires, which is paid for in dollars," says businessman Marcus Vinicius Pratini de Moraes, chairman of the Brazil Foreign Trade Association.

## Chile

### Pinochet Said 'Willing' To Resign as Army Chief

*PY0201124091 Madrid EFE in English 0349 GMT 02 Jan 91*

[Text] Santiago, Jan 1 (EFE)—A top Chilean official said Tuesday he had received indications that former military dictator General Augusto Pinochet might be willing to stand down as the army chief in the wake of a financial scandal in which members of the military and the general's family have been implicated.

Cabinet Secretary-General Enrique Correa said Pinochet's top adviser, Gen. Jorge Ballerino, had indicated that the army chief was willing to discuss the possibility of resigation in the wake of the so-called "Cutufa" scandal.

The Cutufa scam broke 15 months ago with revelations that senior military officials, including the Pinochet's son, former Army Capt. Augusto Pinochet Hiriart, had engaged in illegal financial activities involving high-risk stocks and securities worth 50 million dollars.

In an interview broadcast Tuesday on Chilean state television, Correa quoted Ballerino as saying during a December 13 meeting that Pinochet, was "willing to

discuss cutting short" his mandate as Army chief, which under the military-drafted constitution is due to run out in 1998.

Correa's meeting with Ballerino came six days before Pinochet ordered troops to remain in their barracks in a move that sparked widespread public panic for 16 hours.

Correa denied allegations that Pinochet had ordered the confinement in reaction to pressure from the government for him to resign. The cabinet secretary-general said Ballerino had called for "a reasonable political agreement (to Pinochet's situation) outside the margin of scandal".

A parliamentary committee is currently investigating the Cutufa in which Pinochet Hiriart allegedly earned three million dollars in the sale to the military of a munitions factory in which he was a major shareholder.

Press reports have emerged recently implicating Pinochet's daughter Lucia and his son-in-law Julio Ponce Lerou in financial scandals.

Correa reiterated the government's stance that it would not interfere in the commission's investigation of the Cutufa to avoid "distorting the truth which all Chileans have the right to know."

Deputies and lawyers have speculated that Pinochet himself might be indicted for his suspected role in the scandal.

Judge Marcos Libedinsky, who is chairing the Cutufa investigation, ordered the release Monday of retired general Gustavo Abarzua Rivadeneira after questioning him on his involvement in the scandal.

Abarzua, who headed Chile's now defunct CNI military intelligence agency, was retired along with three other generals in the wake of the scandal.

Some 150 officers are due to be investigated in connection with the case.

Pinochet handed over to democratically-elected President Patricio Aylwin March last year ending his 16-year stay at the head of the head of the military dictatorship.

### Government Calls For Peaceful Gulf Solution

*PY0301131691 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 3 Jan 91*

[Text] A group of Foreign Ministry experts, led by Director General Carlos Portales, is currently gathering information from the latest reports by Chilean ambassadors in the Middle Eastern countries with the aim of providing Foreign Minister Enrique Silva Cimma with a full picture of the situation in the Persian Gulf.

The chief of the Foreign Ministry cabinet, Claudio Vasquez, explained the Chilean position on this conflict: [Begin Vasquez recording] Chile's position on this conflict is that war should not break out, the Iraqi troops should withdraw from Kuwait, and the conflict should be solved through political negotiations. Chile hopes this confrontation that the world is experiencing will be solved. [end recording]

Claudio Vasquez said that the group of experts is also conducting multilateral consultations with countries in the region and the Rio Group in an attempt to adopt a common position on the various recently proposed peace initiatives.

### PCCh Urges Peace

*PY0301005091 Santiago Radio Cooperativa Network in Spanish 2200 GMT 2 Jan 91*

[Text] The Communist Party of Chile [PCCh] has asked the President Aylwin's government to seek, with other countries and at the United Nations, a path that will prevent war and guarantee peace in the Persian Gulf.

This statement was made by (Eliana Ahumada), a member of the PCCh Central Committee. She noted that the administration of President George Bush, in its position as a great power, has once again brought the world to the brink of war, with incalculable consequences. She explained that the people of the world will be the ones who suffer if war breaks out, while the great international economic monopolies will profit.

After condemning Iraq for its invasion of Kuwait, the PCCh has denounced the imperialist stance of insisting on war and blocking all political mechanisms to find a solution to the situation.

[Begin (Ahumada) recording] We Chilean Communists call upon all the democratic forces that want peace to raise their voices, mobilize against war, and demand a peaceful solution to the Persian Gulf crisis. We are especially addressing the democratic government headed by Patricio Aylwin to raise its voice and seek, with other countries and at the United Nations, the path that will prevent war and guarantee peace. [end recording]

In conclusion, the PCCh praised the Chilean Government's decision to resume diplomatic relations with Cuba as of next fall, saying that justice and equity in Chilean international relations will thus be recovered.

## Colombia

### Extraditables Send Letter to U.S. Ambassador

*PA0201221991 Bogota EL TIEMPO in Spanish 23 Dec 90 p 6-A*

["Text" of letter sent by Extraditables to U.S. Ambassador in Colombia Thomas McNamara, signed 20 December 1990]

[Text] From the Extraditables to the U.S. ambassador in Colombia.

Mr. Ambassador:

Some media and American officials were surprised over President Cesar Gaviria's decision to suspend the extradition of citizens who present themselves before our country's system of justice.

The Colombian people already know of the discrimination and human rights violations by U.S. authorities against Colombian citizens.

For us, the new decrees continue to form part of the government's repressive policy regarding drug trafficking, since no justice in the world forces its citizens to state they are guilty.

In past times, the U.S. Government negotiated with Lucky Luciano.

You are the pioneers and the only ones in the world who negotiate with drug traffickers.

If the accused are Americans, they are granted liberty in exchange for bail in money or property.

Their statements and their words are believed, and that is why they are taken to make statements at Congress and are granted freedom and benefits.

Also, how long was the mayor of the city of Washington in jail?

Here is the worst part: Barry Seal, the capo of all American cocaine capos, who publicly brags about having brought 10,000 kg into his country, never went to a U.S. jail.

Mr. Ambassador, tell the Colombian people how long Barry Seal was in jail.

He did not even appear in court. He only made statements against Colombian citizens, and that was enough to grant him his freedom.

The Extraditables, 20 December 1990.

### Guerrillas Ambush Police, Destroy Pipeline

*PA0201171391 Bogota Radio Cadena Nacional in Spanish 1200 GMT 2 Jan 91*

[Text] Bogota—Military patrols stepped-up rural vigilance in the Valle del Cauca, Santander, Antioquia, and Bolivar Departments and in the Putumayo Intendency after 11 policemen, two DAS [Administrative Department of Security] members, and seven FARC [Revolutionary Armed Forces of Colombia] and ELN [Army of National Liberation] guerrillas were killed in clashes and ambushes.

A Defense Ministry report says that a National Guerrilla Coordinating Board column dynamited a stretch of the Pacific oil pipeline at the 30 km marker on the seaside road. Previously, the guerrilla column had attacked a police patrol at Zaragoza Corregimiento, Buenaventura Municipality, Valle Department, killing Francisco Antonio Mosquera Echeverri, Eduardo Prado Zuniga, Raul Sanchez Asprilla, Erico Hinestroza Vallecilla, and Oscar Benitez Mosquera. Alvaro Bermudez Galeano and civilian Maria Viviana Hernandez were wounded. The dynamite attack on the Pacific oil pipeline caused extensive property and ecological damage.

Meanwhile, in a rural area at La Hormiga Municipality, Putumayo Intendency, Army soldiers clashed with FARC members, killing at least seven guerrillas. The official report also states that at Matanzas, Santander Department, unidentified persons attacked a police patrol, killing policemen Ricardo Diana and Rodolfo Ortiz, while an individual with the alias of "Martin" was gunned down. Buenaventura policemen Rey and Jose Solano were wounded in the clash. In another attack in El Cerrito, Policeman Cerbulo Ibanez was killed.

In Medellin, alleged FARC members riding in a car shot policemen Freddy Guerrero Ayala and Ivan Guerrero Munoz, who were carrying out a surveillance operation in west Medellin. Two DAS agents were found murdered in an empty lot in Tres Corregimiento, Turbo Municipality, in Antioquia Department's Uraba area. The victims were identified as John Fernando Trujillo Ospina and Heraclides Palacios Rosas, who had been kidnapped in a rural area at Currulau, Antioquia Department. In El Socorro Corregimiento, Sabana Larga Muncipality, in northern Antioquia Department, several individuals murdered police inspector Jose Anatorio Mazo.

In Cali, meanwhile, 3d Infantry Brigade soldiers and Valle Department GOES [Special Operations Group] police personnel are on the tracks of the guerrilla column that yesterday entered a rural area in Buenaventura, killed five policemen, blew up a stretch of the Pacific oil pipeline, and set a beach resort on fire; losses amounted to several million [currency not specified]. The tracking down operations are concentrated in Cordoba Corregimiento, where the guerrillas fled after a violent attack to protest the latest gasoline prices. These events began at dawn yesterday when a stretch of pipeline at the 26 km [as heard] marker was blown up; this started a fire that could not be brought under control by Buenaventura firemen until 2200 last night. Police decided to carry out a reaction plan in view of the terrorist act, but the guerrillas ambushed three patrols. The following policemen were killed in the incidents: Francisco Alberto Mosquera Echeverri, Eduardo Prado Zuniga, Erico Hinestroza Vallecilla, Raul Sanchez Asprilla, and Oscar Benitez Mosquera. Fleeing guerrillas set La Cascada beach resort, located at Zaragoza Corregimiento, on fire.

### FARC Group Kills 12 Narcotics Agents in Ambush

*PA0301005991 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 3 Jan 91*

[Text] Members of a group called Simon Bolivar, within the Revolutionary Armed Forces of Colombia [FARC], ambushed three trucks transporting narcotics personnel at 0600 this morning, using grenades and explosives. The agents were returning from a mission carried out at the

request of Frio River authorities in the banana region, who had detected suspicious groups there. The incident happened in the area known as Toribio Port, located 20 km from Santa Marta, on the Caribbean Trunk Highway. As a result of the explosions, the last truck crashed into a ditch and intense shooting began, which lasted some 90 minutes. Twelve narcotics agents were killed and four were seriously wounded.

Although this has not been confirmed, witnesses said they saw several rebels picking up their dead.

[Begin recording of unidentified person] There was shooting between the police and the guerrillas. Our bus tried to move ahead, but its tires were blown out. Later it was set on fire. We did not see much because we all got down on the floor of the bus. [end recording]

According to the passengers of a bus that was driving close to the ambushed trucks, there were approximately 60 guerrillas, both men and women, who shouted FARC slogans and referred to the recent military attack that destroyed the FARC stronghold of Casa Verde.

The authorities said they are in full control of the situation in San Pedro de la Sierra and Frio River. However, a land and air search continues for the guerrillas who attacked the military convoy.

### President Signs Laws on Labor, Government, Taxes

*PA0201225891 Bogota Radio Cadena Nacional in Spanish 1200 GMT 30 Dec 90*

[Text] The Presidency has announced that President Cesar Gaviria Trujillo signed 14 bills into law on 29 December. At the same time he signed several resolutions connected with changing the payment of taxes.

Some of the new laws pertain to changes in tax collection, which increases the value added tax from 10 to 12 percent, and extends it to other sectors of the economy, like hotels, telephone service, charter flights, and restaurants, which until now had been exempt from this tax. From now on, they will have to pay this tax.

Changes to the labor law were also signed. This law is intended to revamp the labor sector and to generate about 4 million [words indistinct].

According to changes to the labor law, an employee cannot work more than two hours overtime per day. The retroactivity of the [word indistinct] is eliminated, and a salary ceiling is created for those who make ten times the minimum salary.

Another law on domestic and foreign debt will allow the government to obtain $4.5 billion more in credit. However, from now on the government will not be able to issue currency to finance government expenses, because in the future they will have to be financed by issuing government bonds and placing them on the market.

The restructuring of the Government Ministry and the Administrative Department of the Presidency has also been decreed. At the same time the investment and management of the Social Security reserves have been regulated and a National Environment Day has been created.

Law 48 of 1990 was passed regulating the repatriation of capital, endorsing the stock market, specifying tax and customs norms, and regulating tax collection. Law 49 makes changes in the Labor Code, and other measures. Law 50 authorizes some domestic and foreign loans, and credit transactions between government agencies.

Another law establishes the governmental structure and modifies departmental and municipal charters. Decree Law 1222 and 1333 and Law 78 of 1986, and Decree Law 076 of 1987 have also been modified. Marital unions and common-law marriages are also defined by the new laws.

Another law regulates the functions of the Administrative Department of the Presidency. It regulates the delegation of presidential authority and confers special authority on the president.

### * Navarro Outlines, Defends M-19 Policies

*91SM0124A Bogota SEMANA in Spanish 27 Nov 90 pp 42-46*

["Excerpts" of interview with M-19 leader Antonio Navarro Wolfe by EL TIEMPO journalist Plinio Apuleyo Mendoza, conducted on "Personajes" (Personalities) television program; date not given]

[Text] Last week, television viewers were treated to a "mano a mano" between journalist Plinio Apuleyo Mendoza and Constituent Assembly candidate Antonio Navarro Wolf, respectively considered to be representatives of the New Right and the New Left. Due to the late hour at which the program was broadcast, most Colombians did not see the interview. Deeming the program to be of interest in this election debate, SEMANA is reprinting highlights of the discussion, which took place on the Punch program "Personajes."

[Apuleyo Mendoza] You now lead all other candidates in terms of voter preference—which fluctuates wildly—a situation that has given rise to concern and alarm. It is claimed that the M-19 [19 April Movement] did not emerge from ANAPO [Popular National Alliance], but rather, from the Communist Party and specifically the FARC [Revolutionary Armed Forces of Colombia], inasmuch as Pizarro, Fayad, and Rosemberg Pabon were members. Is that true?

[Navarro] The M-19 emerged from different currents. It was in fact created by people from the FARC who were tired of the FARC's approach. It also came out of ANAPO and included independents. I was not a communist or a prominent member of ANAPO. I was a person with no previous political affiliation who joined

the M-19 because I found a path which at the time was the right one, a viable, nationalist path for defending what I believed.

[Apuleyo Mendoza] Did you personally have any previous ideological background as a Marxist?

[Navarro] I was a student leader in the '60's. I read a little bit of everything, but never belonged to any party.

[Apuleyo Mendoza] Many of the M-19 leaders came out of the Communist Party and the FARC. That influence is reflected in positions shared with the Communist Party, for example, your position on the Cuban Revolution.

[Navarro] We defended Cuba, which launched a revolution 90 miles from the United States, something quite out of the ordinary in Latin America. The revolution was not against the United States, however. The quarrel between the Cubans and Americans gradually became polarized later and a breach was opened that could not be healed.

[Apuleyo Mendoza] But relations with you were quite close. You were all in Cuba and you personally lived in Cuba.

[Navarro] I was in Cuba for part of my convalescence after they tried to kill me. That was the only time I was there.

[Apuleyo Mendoza] But some leaders and the people who occupied the Dominican Embassy found asylum in Cuba. They were trained there and, once back in Colombia, there were two M-19 invasions, one through Choco and the other through Narino. The M-19 and Cuba have very close relations.

[Navarro] We have never become involved in international politics. The internal affairs of every country must be autonomous. We want autonomy in Colombian domestic affairs. That has been a principle since the beginning of the movement.

[Apuleyo Mendoza] What is your opinion of Revolutionary Cuba?

[Navarro] Cuba is cut off from the context of renewal taking place in the world. I think it is a shame. Cuba should have a much more profound process of renewal, a broadening of its political arena.

[Apuleyo Mendoza] Four months ago, acting through German Rojas, the M-19 signed a statement in San Pablo, together with the Communist Party, the EPL [Popular Liberation Army], and 48 political groups, most of them Marxist-Leninist, and they ratified their socialist principles and objectives. Do you support that kind of socialism?

[Navarro] No. That was an invitation they extended to German to go to Brazil. The statement was signed by Lula and the Mexicans, but that does not bind the M-19's position. There was no consultation with the leadership of the movement over the signing of the document and we do not agree with its contents. It does not coincide with our political positions. German signed it in the heat of a meeting attended by many people and he suddenly felt he should be in tune with the atmosphere that prevailed at the meeting. There was no consultation or collective decision or any decision by the M-19.

[Apuleyo Mendoza] According to official figures, the Guerrilla Coordinating Committee has pulled off 1,124 kidnappings for economic purposes. Of these, 579 collected ransom amounting to 14 billion pesos. Did the M-19 participate or separate itself from such tactics?

[Navarro] The Guerrilla Coordinating Committee was a political coordinating committee and was intended to carry out certain military actions. It was not a unit. It was formed in 1986 and what was done before and after was the responsibility of each organization. We cannot be responsible for or support FARC actions, even if we are part of the Guerrilla Coordinating Committee.

[Apuleyo Mendoza] To what extent were the guerrilla groups belonging to the Coordinating Committee involved in the kidnapping policy?

[Navarro] It was not a National Coordinating Committee policy. There was no unity. It was simply a process seeking unity for military and political purposes, but in the end it was dissolved. There were very great differences. There was no joint action on the kidnappings.

[Apuleyo Mendoza] Did you challenge the kidnappings?

[Navarro] Frequently, I think. In '84-'85, when we were negotiating with President Betancur, we publicly challenged the kidnappings. We did so directly and, except for political kidnappings, we have ruled out such methods for many years.

[Apuleyo Mendoza] What about Camila Michelsen?

[Navarro] Camila Michelsen was the last case of this type in which we were involved.

[Apuleyo Mendoza] Have you read the book *No nacimos para semilla* [We Were Not Born To Be a Seed]?

[Navarro] I read something about it in a commentary that came out in a newspaper in the capital.

[Apuleyo Mendoza] I want to read a passage from it to you: "In 1985, the M-19 came to the barrio. At the time, they were all in an uproar about the peace agreements with Belisario. One day they were inviting anyone interested to attend the camps. They were giving political indoctrination talks. They also gave political and military instruction to those of us who had joined the militia. We learned to use weapons, make explosives, and plan simple military operations. Many just out of the militia were at loose ends and formed little groups to work on their own. These groups turned into frightful bands and since they had some military training, went completely

out of control. They subsequently became the Nachos, Calvos, Montaneros, Pelusos, and other bands that sowed terror...."

[Navarro] According to that passage, we are the best organization for organizing such bands, better than Pablo Escobar. Have you seen the movie *No Futuro* [No Future]? It is closer to reality. It shows how the Medellin rings gradually became more aggressive, going from robbery to murder. But to reduce the organization of such bands to a three month period, the amount of time we were in Medellin, is a distortion, an exaggeration of reality.

[Apuleyo Mendoza] Is it impertinent to ask that?

[Navarro] It is more pertinent to look at the history of the youth gangs in Medellin, how they emerge, how they develop. That is the first time such an argument has emerged. All the hired killers arrested have had a different type of training, a little group of soldiers listening to political speeches and trained in carrying broomsticks. It is something completely different.

[Apuleyo Mendoza] In something you wrote on the Constituent Assembly, you say you support an entrepreneurial government. Why would you propose an entrepreneurial government if that is the reality in which we live?

[Navarro] It is a fact that there will always be a government. However, the government should not be involved in the production of goods and services when this can be done better by joint public and private or private enterprises. This is the policy we have defended throughout the entire recent period. Actually, the government must perform a series of duties in society. Without question, the government has other duties and there are efficient enterprises run by the state. I do not think you are proposing the privatization of Ecopetrol [Colombian Petroleum Enterprise], a company which by virtue of its importance and size must be owned by the government. We are not against privatization.

[Apuleyo Mendoza] You say you are against neoliberal tendancies that try to impose their criteria and you challenge the reduction of the public sector and the privatization of many social functions of the government, in other words, precisely the opposite of what you say. So where are we, after all? What do we do in order to come to an agreement rather than have two opposing views?

[Navarro] We find a happy medium. We are going to abide by Article 30 of the constitution, which basically says that here in Colombia, we have the right to private property. We are not going to change a thing. Private property must fulfill a social purpose. And since we are building a constitutional framework, within the context of those central ideas—that there be private property and that its social function be defended—the country can be oriented so that different economic models function. I think that in the economic field, the constitutional framework we have is very good because it permits various visions of democracy and capitalism because that is where we are. And we can govern with more government or less. I think that within the M-19, there are naturally different points of view.

[Apuleyo Mendoza] Radically different.

[Navarro] I would not say radically different because I think the current trends are toward a relative reduction in government rather than an elimination of government.

[Apuleyo Mendoza] I am still on the subject of the pamphlets. This is contained in the M-19's own; it comes from the M-19 and nowhere else. Here it says....

[Navarro] Of course, but if we look at the Liberal Party....

[Apuleyo Mendoza] Without a doubt....

[Navarro] That is where you will find debate....

[Apuleyo Mendoza] That party is highly pluralistic, which is part of its inherent nature. I think the M-19 has a more vertical vision than the Liberal Party. But if it does not, what are its main principles?

[Navarro] They are very clear and I owe them for it [as published]. With reference to the constitution, we will decide....

[Apuleyo Mendoza] They propose the following: "Finance companies and banks will belong to the government." As if Peru had not suffered disasters with the same policy!

[Navarro] No, no. That is out of style.

[Apuleyo Mendoza] Really? Can we say so openly?

[Navarro] With no qualms whatsoever.

[Apuleyo Mendoza] "And enterprises involved in exploration and the development of natural resources...": Do you agree with this or not?

[Navarro] No. How can this be true of the exploitation of natural resources when they involve so much money? You need joint ventures.

[Apuleyo Mendoza] But as your friends wrote here....

[Navarro] Well....

[Apuleyo Mendoza] We are talking of fears. When the people hear these proposals, they say, "Wow! See what they are proposing...."

[Navarro] I wish that would circulate more so that we could get our message to more people.

[Apuleyo Mendoza] Well, let us turn to a different subject. You propose that the government's military policy be discussed in the universities, the press, Congress, labor and social organizations. Can you imagine

any army in the world subjecting its moves to the debate of students and unions, with two wars to boot?

[Navarro] No, but the general orientation of the concept of national defense is not their province and that is what we are clearly referring to in the text, to military policy as the application of a concept at a given moment, naturally. Who is better qualified than ourselves as we have been in situations of war to know what it is like? There you need a single, hierarchical command that is very aggressive and can make short-term decisions.

[Apuleyo Mendoza] You challenge a certain doctrine they label as "National Security." Is that it?

[Navarro] Precisely. We think there must be a revision of the concept that ended with the cold war.

[Apuleyo Mendoza] What is the National Security doctrine?

[Navarro] That old doctrine held that World War III has already begun. The confrontation between the Russians and the Americans explained the conflict. That confrontation was a military expression, but here the violence began long before Marx ever existed. At least no one holds the concept any longer that war in these countries is simply an appendage of the Russian bear. Indeed, the simple fact is that the Russian bear is no longer even a bear.

## * Foreign Minister on Inter-American System

*91SM0114A Bogota EL ESPECTADOR in Spanish 10 Nov 90 p 9A*

[Interview with Foreign Minister Luis Fernando Jaramillo Correa; place, date not given; article prepared by international editing staff]

[Excerpts] [EL ESPECTADOR] The Inter-American system is in the midst of crisis. What solutions does the Colombian Government propose to make it function?

[Jaramillo] The Inter-American system needs total rethinking. The system includes 150 institutions, which from any standpoint, be it political, economic, or even sectorial, is insane. Practically speaking, every ministry has an entity that meets periodically. The resulting costs have become unbearable and in many areas the agencies are totally useless. At the meeting of presidents of the Rio Group in Caracas, this was one of the central themes. The first measure taken was to order the OAS think tank to study the process thoroughly and come up with ideas about how we can make it more rational. Nevertheless, the first meeting could not have been more disappointing. When push came to shove, to our great surprise, the only country not included in the think tank is Colombia.

The first conclusion of the meeting was an invitation to Latin American foreign ministers to debate President Bush's proposal. I personally do not see why it required such a high-level meeting. If that is the direction in which conclusions are going, then we are wasting time.

If the OAS does not regain its leadership as a Latin American political forum, and if this does not become obvious from a whole series of other factors that have no justification within the framework of a political forum and the context of technical cooperation for development, then the crisis in the Inter-American system will only be accentuated.

Now then, the importance of the OAS as a political forum is that it is the only one where the United States feels it is on an equal footing with the rest of the countries on the continent. It must be preserved.

### Ancestral Conflicts

[EL ESPECTADOR] What mechanism could be set up so the OAS might truly work and so that no member will ever violate the sovereignty of another?

[Jaramillo Correa] What one may ask of a multilateral system and what it can give must be clearly defined. I believe that preventing aggression is very difficult; it simply occurs. Now then, creating a multilateral force in the OAS to intervene in conflicts on the continent is not easy either, but deciding who is right is supremely complex. These are conflicts difficult to dispel for they have to do with ancestral quarrels not resolved over long periods of time.

What is important is for the OAS to become a forum for discussion. Although it has not had total success on many occasions, but there will be others when good results will be obtained. For example, the Colombian intervention in the drug problem, the American blockade, and the entire issue brought before the OAS forum was very effective.

[EL ESPECTADOR] Will Colombia's new ambassador to the OAS head up the transformation of that organization?

[Jaramillo Correa] Change is achieved through the political will of countries. We need it to be a respectable forum to which there is a response. Perhaps it would even be necessary to revise the current arrangement of having permanent ambassadors meeting at a headquarters year-round, looking for things to do to justify their presence there. The OAS must work on a different level. In the past, it had Alberto Lleras, Galo Plaza, a whole range of prominent individuals with recognized continental authority. The OAS must have a secretary general with wide acceptance and be the continent's spokesman.

[EL ESPECTADOR] Then, instead, of the problem being related to the internal mechanisms of the OAS, it is that of a single man?

[Jaramillo Correa] No. It is a political forum and must be handled at the highest political level. What has happened is that the political mechanism has been joined by a whole series of things in the economic area that spoil the political aspect, somewhat, and this is what the OAS must have. In that sense, a person with a distinguished

profile is being sought. Colombia is making a very great contribution by appointing former foreign minister Julio Londono as its ambassador to the OAS.

[EL ESPECTADOR] Could Colombia become the leader of that reform?

[Jaramillo Correa] Yes. Furthermore, President Gaviria said so at the Caracas meeting. He was the main spokesman for the group which made the central proposal and motivated other presidents to analyze the issue thoroughly.

**Beginning To Be Hindrance**

[EL ESPECTADOR] What will happen to the Andean Pact?

[Jaramillo Correa] I do not want to sum up these 24 years, which have not contributed to integration. It has done nothing effective other than have a few instruments that do not function: the Andean Reserve Fund, the Andean Development Corporation, the Cartagena Board, in short, very little that has been effective within an integration process.

What we must explore is whether or not our countries truly have the political determination to move forward on a process of integration. I think that the coming meeting in La Paz will be useful for this purpose. We have problems: The Andean Pact is beginning to be a hindrance for the process of Colombia's integration with Venezuela and Mexico, and it may continue to be when it comes time to move forward with other processes of national interest. That is the critical aspect of the meeting in La Paz. Colombia and Venezuela will forcefully state that the Andean Pact must adapt itself to the interests of the two countries and ensure that the entire process of binational, trinational, or multinational integration on which Colombia and Venezuela have embarked will not get bogged down. After all, one does not observe a uniform urgency or interest in moving forward with the integration process in all five countries. The picture is not very clear and I think the Andean Pact will go through a process of very important redefinitions starting with the meeting at the end of this month. If there is a desire to readapt it and make it a positive instrument that will promote everything the countries are now trying to do, then it will continue to exist and be strong. Otherwise, it will face a serious crisis.

[EL ESPECTADOR] What does Colombia expect of the Rio Group?

[Jaramillo Correa] In contrast, the Rio Group is a Latin American political forum that is operating well. The Caracas meeting was very positive and resulted in very stimulating contacts between Latin American leaders. With the inclusion of Bolivia, Paraguay, the representative of Central America and the Caribbean, it grows even stronger because it represents all of Latin America. The fact that the presidents of Latin America are meeting, getting to know one another, and forming friendships is very important. Such contacts never existed previously on the continent.

[EL ESPECTADOR] Will the Latin American presidents meet more frequently?

[Jaramillo Correa] No. On the contrary, I think we have too many organizations: the Andean Pact, the Rio Group, the Group of the Three. The process of consultation we now have is adequate. Colombia will become coordinator of the Rio Group this year and the next meeting will be in Cartagena. As a group for consultation and coordination, it is vital. In addition, it can provide ALADI [Latin American Integration Association] with political support as an economic forum. [passage omitted]

## * National Territories' Second-Class Image Viewed

*91SM0114B Bogota EL ESPECTADOR in Spanish 18 Nov 90 p 12A*

[Article by Julio Daniel Chaparro]

[Excerpts] [Passage omitted] Lowlanders, islanders (from San Andres and Providencia), men from the jungle and the seas and the hinterlands, are in fact forced to live as second-class citizens. Ever since the government of Alfonso Lopez had the idea of creating DAINCO [Administrative Department of Intendancies and Commissariats], an agency under the Ministry of Government that administers an area which, measured in square kilometers, comprises half of the country, settlers living in the intendancies and commissariats have become veritable vassals of the agency.

We may be accused of exaggeration, but one has but to talk with these Colombians, who refuse to accept the label "other Colombians" (which would suit them, inasmuch as people constantly refer to them as being from "the other Colombia"), in order to see that in their case, subservience is a fact. It is humiliating: They come from "other territories"; offensive: They are from "the other Colombia"; and harsh: It is a situation worthy of monarchies since only monarchies, during the period of the Renaissance—involving numerous colonies, it should be recalled—could incorporate the so-called "overseas territories" into their boundaries.

The very name "national territory" is a stigma, for it assumes a contradiction which, on beer-drinking days on the Plains can become interminable. In the final analysis, the entire country is in itself a national territory which accepts no discrimination.

Whatever the case, for the "other Colombians," the situation derives from a centralist arrogance that the country is scarcely beginning to undo, given the fact that it is the only possible way to choose paths leading these regions to any real progress.

"Why are we national territories? Well, because very few people live here, that's all." Oscar Buitrago's elementary explanation is also categorical. The only reason is one of population density. And distance. Whatever the case, it is a reason that has condemned Vichada, Guainia, Vaupes, the Amazon, Arauca, Casanare, Putumayo, Guaviare, and San Andres to a kind of exclusion forcing them to be integrated, legally and politically, into tutelary departments: Meta, Narino, and Caqueta, which are their real reference points and their regional capitals by necessity.

All under DAINCO, but always very far from the government.

**Money Talks**

Nor is it the mythical pride of the plainsmen strictly speaking that constitutes the obstacle. Rather, it is money, represented by oil, gold, and the natural resources of the intendancies and commissariats. Their millionaire status (specifically, Arauca, Putumayo, Casanare) has imposed new rules on the interplay of relations between the Central Government and its territorial agencies in the south and east, beyond the mountains.

Because of profits to be gained from oil operations and given the zone's production prospects, local leaders' requests have won a response. Arauca, Putumayo, and Casanare already feel they are departments. Their new legal status is a stroke of luck, they keep saying in Puerto Rondon. They have money! Which is why they assume with dignity—but without ever taking it for granted—a position as real Colombians.

This means, in principle, the end of the notion of "national territories," as well as the fact that the country has now been unified under the concept of departments, without provinces. Such a situation could have satisfactory implications: With Arauca now a department, it will have its own spokesmen in the nation's parliamentary bodies. And it will stake out the natural aspirations of the commissariats.

Indeed, without the economic weight or role played by the intendancies, the latter have also expressed their intention of ceasing to be third-class territories. A document drafted by the commissariat councilmen of Llano and Selva makes two points:

"The country should bear in mind the fact that the current national unit is exclusive, by virtue of the hierarchy it creates among the regional communities with Bogota and a few privileged provinces at the top. This time of crisis requires the consolidation of national sovereignty by stimulating the popular initiative in all corners of the country. This implies the achievement of a real closeness between elected officials and the voters as a basis for the strengthening of our democracy, a closeness which may be created by a modification of the country's political-territorial structure, resulting in increased participation by the people. Such an attitude on the part of the government must be accompanied by the broadest local and regional autonomy within the framework of national unity. At the present time, Colombia is governed by the few and for the few. This must change, for the good of the country as a whole."

## Paraguay

### Brigadier Generals Named, Seven Generals Retired

*PY0201125291 Asuncion NOTICIAS in Spanish 2 Jan 91 p 8*

[Summary] The Executive Branch has issued Decree No. 8146, whereby Colonels Dario Antonio Franco Flores, Ramon Sosa Rodriguez Maldonado, Evelio Favio Benitez Santacruz, Jose Tomas Centurion, Iran Antonio Centurion Espinola, Corsino Allende Serviano, and Oscar Arcadio Saucedo Rojas were promoted to the rank of brigadier general.

The following generals have been retired: Division Generals Otello Carpinelli Yegros and Abraham Abed; and Brigadier Generals Hugo Adolfo Escobar Anzoategui, Crispiniano Lopez Gimenez, Luis Valiente Flor, Carlos Egisto Maggi, and Dario Gonzalez Duarte.

### Government Forms Human Rights Directorate

*PY3112224690 Asuncion ULTIMA HORA in Spanish 31 Dec 90 p 25*

[Summary] Justice and Labor Minister Hugo Estigarribia Elizeche has announced that the government has created the Human Rights General Directorate [Direccion General de Derechos Humanos]. It will operate under the jurisdiction of his ministry.

## Peru

### Terrorist Attacts, Police Operations Reported

*PY0201210691 Madrid EFE in Spanish 1745 GMT 2 Jan 91*

[Text] Lima, 2 Jan (EFE)—Government officials reported today that at least seven people died and some 30 were injured on the first day of the year as the result of terrorist attacks in the country's interior and police action to evict squatters from state land in Lima.

The terrorists focused their actions on the mountainous provinces of Caraveli and Huancayo. At least 100 alleged members of the Maoist Shining Path organization raided the mining town of Acari (in the jurisdiction of Caraveli), 550 km southeast of Lima, on Monday night and murdered Mayor Raul Carcamo and a policeman, eyewitnesses reported.

According to these sources, the terrorists first attacked the police station, which was defended by only four

agents. The terrorists dynamited city hall, the telephone office, power pylons, state bank offices, and private stores before escaping.

In Huancayo, 315 km east of Lima, a car filled with dynamite exploded at midnight on 31 December in front of the home of provincial Mayor Arturo Poma, killing one pedestrian and injuring four others, the police reported. Poma and his family had left the house a few minutes earlier to celebrate the new year at the home of relatives.

The police attributed this attack to the Marxist Tupac Amaru Revolutionary Movement (MRTA), which also set off explosives in other parts of the city to cause panic among the people.

In Lima, police officers had to use their service weapons in the first minutes of the new year to evict squatters from state land, causing the deaths of four citizens and injuring at least 30.

### Hurtado Miller Comments on IMF Talk, Economy

*PY0301013691 Lima EXPRESO in Spanish 27 Dec 90 p 3*

[Text] Upon returning from Washington, Juan Carlos Hurtado Miller, president of the Council of Ministers, categorically rejected allegations that the IMF is imposing economic policies on Peru. "This organization does not have any control over our lives," Hurtado said.

The economy and finance minister said the IMF cannot impose any programs on the country and assured reporters that the plan that is being implemented was drawn up by President Alberto Fujimori's government.

Regarding negotiations with the IMF, Hurtado Miller said no bridging loan had been negotiated so far and added that a call for a support group meeting is on the agenda.

Hurtado Miller answered questions on the bridging loan that will be used to pay the overdue debt service, which totals nearly $2.03 billion.

"The much publicized $800 million would be used to shore up our balance of payments; that is, to balance the reduction of reserves at the Central Bank as a result of our foreign debt payments," the minister emphasized.

The premier called on Peruvians to trust in Peru's future and thanked the people for their tolerance and understanding of the economic measures. "This attitude is really commendable, and we are recovering because of it," the minister said.

"We have had a small increase in inflation recently but we have to trust the program. Everything we have achieved so far has been the result of the people's efforts, and we need their continued support," the minister said.

Hurtado Miller talked to reporters at the end of his meeting with the Joint Congressional Budget Committee to brief legislators on the results of his trip to the United States. Hurtado also argued in favor of the third 1990 supplementary credit for 447 billion intis.

The loan will be for July, August, and September of 1990—that is, the last month of the APRA [American Popular Revolutionary Alliance] government and the two first months of the present administration.

Hurtado Miller said the government will request a fourth supplementary credit, "but this loan will not have Central Bank financing as in the past. The government has begun to handle the economy in realistic terms and will not resort to the Central Bank. Now we are doing things as they should be done," Hurtado emphasized.

### Velarde Ramirez Named New Armed Forces Chief

*PY0301024291 Lima RTP Television Network in Spanish 0100 GMT 3 Jan 91*

[Summary] Defense Minister Jorge Torres Aciego today installed General Arnaldo Velarde Ramirez, commander of the Peruvian Air Force, as the new president of the Armed Forces Joint Command.

### Lima TV Presents New Supreme Court President

*PY0201213691 Lima RTP Television Network in Spanish 1800 GMT 2 Jan 91*

[Summary] Cesar Fernandez was installed today as the new president of the Peruvian Supreme Court in a ceremony to open the new judicial year.

## Uruguay

### Terrorists Issue Threats Against Lacalle, Menem

*PY0301113291 Montevideo Radio El Espectador Network in Spanish 1000 GMT 3 Jan 91*

[Text] It has been learned in the past few hours that threats have been made against Argentine President Carlos Menem and his Uruguayan counterpart, Luis Alberto Lacalle. Manuel Castro Chavez, president of the Association of Argentine Residents in Uruguay, reported threats by an alleged terrorist group that wanted to prevent a meeting, which was finally suspended, between the Argentine and Uruguayan presidents.

Castro Chavez, who has lived in Uruguay for 23 years, said he received several phone calls from persons claiming to be members of the National Liberating Alliance [Alianza Libertadora Nacional], a right-wing Argentine organization. Castro stressed that the callers said the group would attempt to prevent a private meeting between Lacalle and Menem, scheduled for the weekend in Punta del Este.

Carlos Menem's trip to Punta del Este was suspended on 28 December because of Argentine reactions to pardons for the military commanders and a guerrilla leader.

Castro said the callers threatened to bomb his house and set it on fire because of his alleged support for Menem's pardons. I have lived in Uruguay for over 20 years and I have even obtained Uruguayan citizenship, he said, adding: I have nothing to do with Argentine policy, much less with the presidential pardons.

Castro Chavez reported that he received several threats from different callers whose accent was typically Argentine or Uruguayan. He reported the threats to the Uruguayan police and the Argentine Embassy in Montevideo.

## Venezuela

### Government Names Representative in Iraq

*PA2912200890 Paris AFP in Spanish 1724 GMT 29 Dec 90*

[Text] Caracas, 29 Dec (AFP)—The Venezuelan Government has appointed Carlos Alberto Taylhardat, a diplomat, as its new minister counselor in charge of its embassy in Iraq. Foreign Ministry sources made the announcement in Caracas on 29 December.

After the Iraqi annexation of Kuwait, the Venezuelan Embassy in Baghdad was evacuated as the Persian Gulf crisis ensued.

The Caracas morning newspaper EL UNIVERSAL noted that Taylhardat had held the post of director of the Department of Immunity and Privileges in the Ministry of Foreign Relations.

### Foreign Ministry Claims 'Rupture' With Suriname

*PA0301023091 Paris AFP in Spanish 2009 GMT 2 Jan 91*

[Text] Caracas, 2 Jan (AFP)—The Venezuelan Foreign Ministry made official the rupture in diplomatic relations with Suriname, as announced on 31 December by President Carlos Andres Perez. Venezuela rejected the 25 Decemeber military coup of 25 December that ousted Suriname's civilian president, Ramsewak Shankar—whom the parliament has already replaced with civilian Johannes Kraag—"as an outrage to America's dignity."

The Foreign Ministry today delivered the following press release:

1. Diplomatic relations with Suriname are suspended.

2. All bilateral actions with that country are suspended, except those of a strictly humanitarian nature.

3. Only one Venezuelan official will remain in Suriname to handle consular matters.

Venezuela is the Latin American country that cooperates the most with nations that have recently attained their independence from Europe in the Caribbean and Guyana (Suriname was Dutch Guyana until 1975) with aid, commerce, and cultural programs and oil sales with 20 percent credits.

### Caracas Aeroflot Manager Charged With Espionage

*PA0301025891 Paris AFP in Spanish 2132 GMT 2 Jan 91*

[Text] Caracas, 2 Jan (AFP)—The Venezuelan Directorate of Intelligence and Prevention Services (DISIP) has confirmed that Aleksandr Shilov, manager of the Soviet airline AEROFLOT in Caracas, was spying on Venezuela's air defense systems, including the U.S.-made F-16 aircraft, the official news agency VENPRES reported today.

According to the report, Shilov reportedly sought shelter at the Soviet Embassy in Caracas in December. VENPRES said that the Soviet Embassy is trying to get him out of the country "with a diplomatic passport, so that the spy does not fall into the hands of DISIP."

Embassy officials consulted about the issue have systematically refused to offer a statement, and the AEROFLOT offices simply answer that Shilov "is currently out of Caracas on vacation."

According to DISIP, Shilov arrived at Venezuela in 1988 to assume the post of AEROFLOT manager, replacing Victor Kirchov, who was also investigated in connection with espionage activities, and it was ascertained that he tried to purchase "Omega Navigation Systems" equipment that "is capable taking x-rays of flight characteristics of an airplane, including the F-16."

Shilov "requested high-frequency equipment capable of decoding the cipher system used by the nation's Armed Forces," and "the installation" of a computerized network through which he sent information, "always in Russian, thus violating commercial radio norms," VENPRES asserted.

The official paid for all his purchases in cash "to annul any evidence," DISIP reported.

The information also indicates that Shilov has a previous record, because he was arrested on 9 August while "taking inventory" in a restricted area of the airport.

On that occasion, it was discovered that he had an agenda with a blueprint of the country's government structure." [quotation marks as published]

Shilov had a traffic accident near Caracas in December. His companion was injured and Shilov "tried to bribe a National Guard (Military Police) member who was making a report of the accident so that he would change the circumstances of the incident."

DISIP recalled that AEROFLOT branch managers have been expelled for espionage activities in other cities and mentioned the cases of Yuri Aleksandrov (France 1982),

Vasily Vasilyevitch (Portugal 1981), Leonid Andreyevitch (Sweden 1982), and Vitaly Netrovich (Australia 1981).

### Foreign Minister Figueredo Visits Yugoslavia

*WA0301134391*

For Yugoslav and Venezuelan reportage on the one-day visit by Foreign Minister Reinaldo Figueredo Planchart to the SFRY, including reports on his talks with Budimir Loncar, Yugoslav federal secretary for foreign affairs, please see the Yugoslavia section of the 2 January East Europe DAILY REPORT and subsequent issues.

## Suriname

### Bouterse Reinstated as Armed Forces Chief

*PA0201202291 Paris AFP in Spanish 1837 GMT 2 Jan 91*

[Text] Paramaribo, 2 Jan (AFP)—In his New Year's address, Desi Bouterse, commander of the Surinamese Armed Forces, has justified the coup d'etat that ousted President Ramsewak Shankar's civilian government.

Bouterse, who resigned on 22 December—unleashing a bloodless coup—resumed his activities as chief of the Armed Forces on 31 December at the request of Johannes Kraag, the new provisional president who was appointed by the parliament on 29 December.

Bouterse staged a coup d'etat in 1980 and ruled the former Dutch Guyana until early 1988 when Shankar assumed office.

In his New Year's speech, Bouterse said that the coup was necessary because "the government concentrated its political attention on the Netherlands, neglecting the Armed Forces."

The Netherlands gave Suriname more than $100 million in economic aid annually and suspended it immediately after the coup against Shankar. Bouterse commented on this, noting that "it is time for Suriname to begin building its own power."

The commander accused the Netherlands secret service of financing and recruiting men for the Jungle Commando guerrillas operating in eastern and southern Suriname since 1986. The conflict has claimed the lives of approximately 500 people.

When submitting his resignation, Bouterse reproached Shankar especially for not supporting him when the Netherlands Government prevented him from meeting with the press during his stopovers in Amsterdam two weeks ago.

Bouterse praised the attitude of Vice President Henck Arron and parliament President Jaggernath Lachmon "who made the right decision at the right moment." He was referring to the government resignation and the parliament's appointment of a new one.

The new government, which will have to hold elections before June, was made up of Kragg of Arron's Suriname National Party (NPS) and Jules Wijdenbosch (vice president) of the National Democratic Party (NDP), founded by Bouterse in 1987.

For his part, in another New Year's speech, Kragg promised that his provisional government "will increase the country's welfare and prosperity," improving health services and food supply.

He also stressed that he will begin a housing construction plan for refugees who return to the country because the struggle against the Jungle Commando sent approximately 10,000 people into exile.